

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

September 17, 2012
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Executive Session

Deputy Mayor Robertson called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately 30 minutes to discuss one item of potential litigation.

The meeting resumed at approximately 6:32 p.m., with Mayor Lee presiding.

2. Study Session

(a) Land Use Code Amendment Relating to East Link Code Conflicts and Gaps

City Manager Steve Sarkozy opened discussion regarding the development of the Land Use Code Amendment (LUCA) necessary to address the permitting processes and criteria applicable to light rail facilities. He noted that the City Code, when originally adopted, did not anticipate light rail infrastructure.

Mike Brennan, Director of Development Services, said this is the second in a series of discussions about proposed Land Use Code Amendments to address light rail. The previous discussion was held on July 16.

Kate Berens, Deputy City Attorney, explained that the Land Use Code work responds to the City's commitment in the Memorandum of Understanding (MOU) with Sound Transit to clearly define a permitting path for the East Link light rail project. The MOU anticipates that the City will process the Code amendments by the end of the year, in advance of the updated cost estimate for the East Link project in early 2014. At that time, depending on the outcome of the cost savings effort and the updated cost estimate, the City could decide to continue as a financial partner with Sound Transit for East Link or to not continue as a partner providing financial

support for the project. Staff has built flexibility into the proposed LUCA overlay district to accommodate whether the City and Sound Transit are in agreement or not in agreement on the alignment.

Ms. Berens said there are advantages to defining a permitting path for East Link, which is to address gaps in which the Code does not provide clear guidance or where requirements do not make sense. The light rail project passes through many land use districts, and some do not accommodate light rail very well. The intent is to create design standards specific to light rail and to establish development standards consistent with the Land Use Code and the Light Rail Best Practices report.

Carol Helland, Land Use Director, explained that the East Link alignment passes through more than 20 land use districts including zoning districts, design districts, and environmental overlays. Almost half of the East Link project is in the right-of-way, where land use provisions typically do not apply.

Ms. Helland said the creation of a Light Rail Overlay District will provide development standards, design criteria, and mitigation specific to light rail. It will consolidate requirements into one section of the Land Use Code and reduce complexity in the Code administration process.

Ms. Helland said staff recommends that the Council consider the overlay approach. She noted that the proposed overlay does not address light rail maintenance base facilities. Mr. Helland said the Code cannot preclude Essential Public Facilities, which are defined in state law. The two alternative permit paths for consideration are the development agreement approach and the conditional use permit process. At this point, the Essential Public Facilities requirements would be handled as a conditional use. However, there are a number of gaps in the Code in terms of addressing light rail.

Ms. Helland said staff wants to provide the opportunity for the Council to adopt a development agreement related to the light rail project. This approach was used for the Spring District in the Bel-Red corridor, and the potential for a development agreement is referenced in the East Link MOU. Mr. Helland said staff is not requesting a decision tonight.

Responding to Councilmember Wallace, Ms. Helland said the development agreement process is regulated under the Local Project Review Act in state law (RCW 36.70B). It stipulates that the Council must hold a hearing and take public testimony before adopting a legislative agreement between the City and the applicant regarding permit processing going forward. This approach provides the flexibility for the City to propose a solution that will meet Code requirements and provide certainty for the City.

In further response, Ms. Helland said that under a conditional use permit process, an application would be compared against the Code standards. The process involves the same goal of achieving the desired outcome. However, Code application to a project is potentially more difficult than

being able to identify a solution agreeable to the City and the applicant. If a development agreement is not in place, the CUP process would apply.

Responding to Councilmember Wallace, Ms. Helland affirmed staff's understanding that the Council wants to retain control of light rail land use approval. The CUP process involves the Hearing Examiner for a pre-decision hearing and a decision by the Hearing Examiner, which can be appealed to the City Council. Another option is to have the Council involved in the decision from the outset.

Councilmember Davidson recalled that the conditional use permit process for the South Bellevue Park and Ride lot was extensive and complicated. He expressed concern about the ability to establish an overlay district within a few months. He noted that the establishment of the Downtown overlay and the Critical Areas overlay took a number of years, and the Shorelines overlay has been under review for the past couple of years.

Ms. Berens acknowledged that the East Link MOU lays out an aggressive timeline for this activity. She recalled that the Council discussed the nature of the timeline at the time the MOU was signed.

Dr. Davidson recalled that he has talked about how the City can break the MOU and whether it can sue under it. He believes it is urgent to get the public involved in these decisions, and he is frustrated with the whole process.

Deputy Mayor Robertson questioned whether citizens have the right to challenge a development agreement or a conditional use permit. Ms. Helland said the conditional use permit falls under Process I, which involves an administrative recommendation and a pre-decision hearing before the Hearing Examiner writes a decision. If appealed, the matter is forwarded to the City Council.

Ms. Helland noted the Council's interest in retaining decision authority and stated that staff recommends against the CUP process for light rail facilities. The rezone process ensures that the City Council retains control. In the case of a rezone, a hearing would be held before the Hearing Examiner. However, the Hearing Examiner makes a recommendation, which goes to the Council for final decision.

In further response, Ms. Helland said the CUP could be appealed to Superior Court under the Land Use Petition Act (LUPA).

Ms. Berens said there are differences of opinion about whether LUPA covers the appeal of a development agreement. Staff can conduct a legal analysis and provide a response on that issue for the Council. The development agreement would involve administrative permitting as drawings are processed, and those could be appealed administratively to the Hearing Examiner.

Deputy Mayor Robertson said it is important that the Council and the public have a good understanding of the two permit paths. Ms. Helland said staff will provide comparison information.

Responding to Mayor Lee, Ms. Berens said the provisions of the development agreement should be generally consistent with the Land Use Code, and they can be as specific as a conditional use permit if desired. The development agreement is a negotiated document between the City and the applicant.

Mr. Brennan reviewed the next steps in the process. The draft amendments will be presented during the October 8 Extended Study Session, and a public hearing is scheduled for October 22. The amendments will be refined during November, and final Council action is anticipated for December.

Mr. Brennan noted that the initiation of the Land Use Code Amendment was published in the previous week's permit bulletin. Public comments can be submitted on this proposal until the Council makes its final decision on the amendment. Mr. Brennan said there will be drop-in meetings as information about the cost savings work becomes available beginning in October.

Councilmember Davidson questioned whether the City's Boards and Commissions would be involved in the decision process. Mr. Brennan said that the Council was clear, during earlier conversations about the MOU, that it wants to retain responsibility for the LUCA work associated with that agreement. He said the proposed process is structured to be consistent with that earlier Council direction.

Councilmember Wallace expressed concern about dates referenced in the weekly permit bulletin and that no draft Code amendments have been distributed to the Council. Ms. Helland apologized for the confusion caused by the dates and clarified that the Council will take comments from the public until the night that it makes its final decision. Ms. Helland said the only information released to date is the MOU, documentation of the collaborative design process, and packet materials from the July 16 Council meeting and for tonight's meeting.

Councilmember Wallace observed that the public is highly suspicious of both Bellevue and Sound Transit. He questioned the purpose of requesting early public comment by September 27. Ms. Helland said the State Environmental Policy Act (SEPA) requires the City to seek public comment early in a project. However, public input will be taken until Council action.

Ms. Helland said she has been appointed to the SEPA Advisory Commission, which is working to streamline state law and noticing requirements. She will correct the notice in the next permit bulletin publication to clarify that the public can comment until the Council takes final action.

In further response to Mr. Wallace, Ms. Helland said the SEPA review and the Council's legislative action could be appealed to the State Growth Management Hearings Board.

Deputy Mayor Robertson stated her understanding that, under the Growth Management Act, a Land Use Code action can be appealed to the Growth Management Hearings Board. However, she questioned whether the SEPA appeal period will end before the Council takes final action.

Ms. Helland said that SEPA review is attached to Council actions, and there is no separate administrative appeal to the Hearing Examiner. The City has combined SEPA with legislative actions, which are then forwarded to the Growth Management Hearings Board. Ms. Robertson suggested re-noticing the Land Use Code Amendment within this context. She observed that the public is confused and concerned about the process.

Councilmember Davidson said he does not understand how the City is discussing the Land Use Code Overlay and SEPA review when the light rail alignment has not been finalized.

Ms. Helland said that overlay districts are floating districts defined by certain characteristics. She said the Council will ultimately decide the alignment to which the overlay will apply.

Dr. Davidson questioned whether that means that the City does not need to know the environmental impacts of the various options.

Ms. Berens explained that the SEPA review and the Land Use Code Amendment represent a policy-level review, which tends to look at broader issues than the project level. The SEPA review relates to changing the baseline Code versus looking at project-level impacts. The light rail project has had its own environmental review, and specific permits will require additional environmental review.

Dr. Davidson questioned whether there will be a supplemental EIS (Environmental Impact Statement). Ms. Berens said that Sound Transit is looking at that issue now and will undertake some level of environmental review on the cost saving alternatives. They are considering an EIS addendum process to supplement the environmental record.

Dr. Davidson stated his understanding that there was a supplemental review for North Link. Ms. Berens confirmed that additional review was completed; however, she was not sure of the formal title for that activity.

Councilmember Chelminiak observed that the goal is to advance the interests of the overall community as the light rail project is built. The Land Use Code Amendment provides the opportunity for certainty for the City and its citizens. He said the Land Use Code does not currently address citizens' input into design standards for light rail stations. The development agreement and changes to the Land Use Code have the potential for including residents in the design of facilities. Mr. Chelminiak believes the community will most likely be better served through a development agreement than through the CUP process.

Councilmember Stokes concurred with Mr. Chelminiak's summation. He thanked staff for their work and expressed confidence in the City's ability to establish the overlay district within the timeframe needed. Mr. Stokes said he supports moving forward as proposed by staff.

Deputy Mayor Robertson said there are three tasks for the light rail project between now and the end of the year. The Land Use Code update is one of them. Another is the collaborative design process which is soliciting public input over the next couple of months leading to a decision

early next year. The most recent issue to arise is the light rail maintenance and operations facility. Ms. Robertson said there are going to be many light rail meetings and she hopes to get through the work in a very effective way.

Deputy Mayor Robertson said the issue tonight is the overriding approach to the required Land Use Code update. The question is whether the Council is comfortable with an overlay district with two pathways, either a conditional use permit or a development agreement. Ms. Robertson said she is comfortable with the overlay approach. She has heard staff say that this will not loosen the City's standards or allow anything that is inconsistent with the current Land Use Code. The light rail goes through 20 land use districts and they all have different requirements. Some have no requirements that would apply to light rail. We want to make sure that we have the right requirements in place consistent with the Light Rail Best Practices report and Bellevue's high standards.

Ms. Robertson believes that an overlay district provides the opportunity for better defined development standards, mitigation, design standards, and involving the community in station area planning. She observed that these are all positive things. However, she believes there is confusion related to the permit bulletin notice and to the overall lack of specific information available for review.

Ms. Robertson said that she asked, a couple of months ago, for a matrix showing the 20 land use districts and whether they have provisions addressing this type of project. She reiterated the importance of adequate and transparent information. She said the City can place standards on Essential Public Facilities.

Deputy Mayor Robertson requested a Council consensus to give direction to staff to draft principles and a letter to Sound Transit on the maintenance and operations facility. She observed that it is inconsistent with the spirit of the MOU and the collaborative design process to add this maintenance facility into the plan at this point.

Councilmember Balducci commented on the extensive process and time involved with a project of this magnitude. She is in favor of moving forward with the Land Use Code Amendment. She believes it is important to have a consolidated set of LUC provisions governing light rail facilities. She likes the flexibility of providing different permit paths, and she agrees with the importance of a transparent process.

Ms. Balducci believes it is important to start creating a list of mitigation that the City will be requiring. She added her support to the Deputy Mayor's suggestion to draft a letter and set of principles regarding the proposed light rail maintenance and operations facility. Ms. Balducci recalled that the facility was mentioned a few years ago within the context of Bel-Red area planning. However, the issue disappeared before resurfacing recently.

Ms. Balducci said the potential sites for the maintenance facility were presented to the Sound Transit Capital Committee, and she is disappointed in the proposed Bellevue locations. She noted that two of the sites are in the middle of targeted transit-oriented development (TOD)

nodes. She suggested that the Council take a strong position on the criteria that should be used for siting a facility in Bellevue.

Mr. Stokes concurred with establishing principles related to the maintenance facility. However, he observed that more details are needed.

Councilmember Wallace said he agrees with the general approach recommended by staff. He concurs with Dr. Davidson; however, that he is not going to be rushed into a decision without adequate information due to an artificial timeline referenced in a non-binding agreement. Mr. Wallace said the MOU anticipated that the Council would have more information on the preferred cost saving measures at this point in the process. He observed that the maintenance facility is part of the MOU alignment and was referenced in the draft environmental impact statement (DEIS).

Councilmember Chelminiak said he is in general agreement with the Land Use Code overlay approach. With regard to the light rail maintenance base, he said a notice of the potential locations will be mailed soon. The stated reason for the need of the maintenance base is the number of North Link trains, which is twice the number of trains for Central Link and East Link. Mr. Chelminiak suggested, as one principle, that the maintenance base should be located in the north end.

Mayor Lee wrapped up the discussion, stating that the Council and City staff have been working with Sound Transit in a spirit of cooperation and collaboration. He noted the ongoing need to be vigilant in looking out for the interests of the Bellevue public. He observed that the MOU deadline is secondary to this main objective.

Councilmember Davidson asked staff to follow up on his questions about the Land Use Code overlay and supplemental environmental review.

(b) Downtown Livability Initiative – Scope, Guiding Principles, & Plan

Mr. Sarkozy recalled that the Council gave direction to staff on July 23 to proceed with the Downtown Livability Initiative. At that time, the Council reallocated \$350,000 in City resources to cover a base scope of work. Council requested that staff return in September for additional direction on the scope of work.

Dan Stroh, Planning Director, said that staff is seeking Council direction about which items to include in the Downtown Livability work program.

Responding to Councilmember Davidson, Mr. Stroh said the Council approved spending \$350,000 from the Capital Investment Program (CIP) to move forward with the work program. If the Council provides direction on items that would increase costs, staff will prepare a budget proposal for the additional items. Dr. Davidson said he would prefer to make budget decisions within the context of the overall budget.

Emil King, Strategic Planning Manager, said the Downtown Livability Initiative applies to the 410-acre Downtown Subarea and its six zoning districts.

Mr. King described the elements to be addressed as part of the base scope of work: 1) Amenity incentive system, 2) Building form and height, 3) Design guidelines, 4) Pedestrian corridor, 5) Light rail interface, 6) Downtown parking, and 7) Integrate recommendations emerging from the ongoing Downtown Transportation Plan Update.

Mr. King briefly reviewed the budget for the base scope of work, which includes \$50,000 for a half-time limited term employee in the Development Services Department.

Mr. Stroh noted the potential additions to the scope of work suggested in the presentation.

Deputy Mayor Robertson expressed support for the potential additions to the scope of work except for the Planned Action EIS (Environmental Impact Statement). She would like more information on that item, however, perhaps as part of the budget process.

Ms. Robertson suggested that the Downtown Livability Initiative include preparing for a future, separate update to the Wilburton commercial area. In gathering data and conducting an analysis of the Downtown, she would like staff to do the same for the Wilburton area. However, the Wilburton work would not progress to a land use/design district update until a later date. She observed that the two areas are closely related. She is comfortable with the overall approach proposed by staff.

Councilmember Stokes said he is pleased to see Old Bellevue included in the Design Guidelines component. He concurred that the Wilburton area is tied to the Downtown and should be looked at within that context.

Councilmember Balducci concurred with Councilmember Davidson's observation that it is difficult to determine which items should be included outside of the broader context of the overall budget. Responding to Ms. Balducci, Mr. Stroh confirmed that the City updated the Wilburton Plan in 2007. Since that time, additional opportunities have surfaced for the area.

Councilmember Balducci suggested that, if additional work related to the Wilburton area is proposed, she would like staff to provide the 2007 work and to address whether it is consistent with or inadequate to consider new opportunities. With regard to the list of potential scope additions, Ms. Balducci expressed support for all of the low-medium effort/zero consultant cost items.

Councilmember Chelminiak suggested that the Downtown Livability Plan should be moved forward. If items are to be added, he agrees with Dr. Davidson that that becomes a budget issue.

Mr. Chelminiak suggested that the OLB (Office/Limited Business) item related to the area between 112th Avenue and I-405 should be presented as a budget proposal. He would be interested in seeing how that could move forward with a review of the Wilburton area.

Mr. Chelminiak would like to get the Downtown Livability Initiative going and to consider the additions as part of the budget process.

At 8:03 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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CITY COUNCIL

Summary Minutes of Regular Session

September 17, 2012
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:12 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present. Deputy Mayor Robertson led the flag salute.

(a) Proclaiming September 17-23 as Citizenship Week

Patrick Bannon, Bellevue Downtown Association, described the Naturalization Ceremony held earlier in the day in City Hall in which 46 candidates became U.S. citizens. He thanked the City for its second year of co-hosting the event. Mr. Bannon noted that approximately 15 percent of Bellevue's residents are naturalized citizens, compared to 10 percent in Seattle and King County. He said that September 17 marks the day that the U.S. Constitution was signed in 1787. Mr. Bannon welcomed and congratulated the new citizens.

Mayor Lee read a proclamation declaring September 17 through 23 as Citizenship Week in Bellevue.

(b) Proclaiming September 22 as Mayors' Day of Concern for the Hungry

Gerald Wright, Hopelink, thanked the Council for its generous and continued support of Hopelink's efforts to fight hunger and poverty and to promote self-sufficiency. He commended Bellevue's leadership in its support of social and human services. Two additional representatives of social service agencies thanked the City for their support.

Mayor Lee read a proclamation declaring September 22 as the Mayors' Day of Concern for the Hungry in Bellevue. He encouraged all citizens to join with the Emergency Feeding Program, area food banks, and local grocery stores in working to end hunger.

(c) Proclaiming September 24 as Family Day

Deputy Mayor Robertson read a proclamation recognizing September 24 as Family Day, A Day to Eat Dinner with Your Children, in Bellevue. The National Center on Addiction and Substance Abuse has consistently found that the more often children and teenagers eat dinner with their families, the less likely they are to smoke, drink and use drugs.

(d) Proclaiming September as National Recovery Month

Deputy Mayor Robertson read a proclamation declaring September as National Recovery Month in Bellevue, in recognition of programs and activities to assist those with mental health and/or substance abuse disorders.

Laura Quinn, representing the King County Community Organizing Program, accepted the proclamation. This program is focused on preventing substance abuse and violence by working with youth and their families. Ms. Quinn thanked Bellevue for its leadership in supporting social and human services and for recognizing National Recovery Month.

Councilmember Davidson reiterated his position against efforts to legalize marijuana in this state.

3. Communications: Written and Oral

- (a) Robert Rose, President of the Bellevue Rotary Club, described the Bellevue Downtown Park playground project under development by the City and Bellevue Rotary. Mr. Rose noted his experience with Rotary projects for disabled children in Nepal. He announced that an event is scheduled for September 29 to introduce the project to the community and to host booths providing information for the public on the disabled population.

Mayor Lee thanked the Bellevue Rotary Club for its sponsorship of this project. Mr. Lee confirmed the importance of providing opportunities for people of all abilities to work and play together in the community.

- (b) Jeff Borgida, General Manager for Republic Services, reported on the successful Zero Waste events held this summer in conjunction with regular community activities including the Strawberry Festival and the weekly outdoor movie nights. He thanked Jennifer Goodhart and the two Utilities Department interns who worked on this program. Mr. Borgida presented a video produced by the City and KOMO TV that was used at events throughout the summer.
- (c) Sam Bellomio noted the proclamation earlier in the meeting referencing the U.S. Constitution and opined that it has become forgotten by many elected officials. He noted the other proclamations dealing with hunger, Family Day, and National Recovery Month and said our society needs to begin to recover from the current slump. He reiterated his ongoing opposition to red light cameras and to the corporation that receives a portion of

the revenue generated by the cameras. An additional portion goes to King County. He would rather see the money going to the City. Mr. Bellomio recalled comments from the City that there has been a 10 percent decrease in accidents since installing the cameras. He said there has been a 10 percent fluctuation every three to four years in accident rates over the long term.

- (d) Alex Zimmerman, Stand Up America, said his personal case remains open beyond the statute of limitations. He accused City officials of being criminals and gangsters. He recalled his first class action lawsuit in 1998, and noted current lawsuits against City officials. Mr. Zimmerman questioned the cost of the investigation against him.
- (e) Jason Van Nort, Local Government and Community Relations Manager, Puget Sound Energy (PSE), thanked the City for considering the removal of Agenda Item 8(m) to allow time for PSE and City staff to discuss the issues. Mr. Van Nort said that PSE is concerned about potential adverse impacts.
- (f) Joe Rosmann, a Surrey Downs resident and Co-Chair of Building a Better Bellevue, thanked the Council for its measured discussion and response of the Council during the earlier Study Session with regard to the proposed Land Use process related to light rail. He said the discussion addressed a number of issues that he raised in the organization's document. Residents will be speaking with City staff about some of the regulatory process issues raised by the wording of the permit bulletin. Mr. Rosmann urged the Council to consider using the expertise found on Bellevue's Boards and Commissions to review the Land Use Overlay proposal. He observed that development agreements are essentially contracts. He urged the Council to weigh all of the issues carefully.

4. Reports of Community Council, Boards and Commissions: None.

5. Report of the City Manager

- (a) Management Brief regarding Bel-Red Implementation of Street Names

City Manager Steve Sarkozy referenced page 5-1 of the meeting packet and introduced discussion regarding the naming and renaming of streets in the Bel-Red corridor. The naming of streets is implemented by Resolution of the City Council after recommendations by interested persons, community groups, the Planning Commission, and/or the designating official [BCC 14.02.060]. Staff anticipates returning to the Council later this fall with an update and recommendations after conducting public outreach to solicit proposed names.

Councilmember Davidson suggested making sure that whatever names are chosen, those names do not change. He said that both streets bordering his office have undergone name changes over the years.

Councilmember Chelminiak questioned what is driving the issue of renaming the streets (NE 14th, NE 15th/16th, and NE 18th).

Mr. Sarkozy said it is not necessary to change the names, but there is a need to formalize the street names. He said this provides an opportunity for community involvement in the process.

- (b) Management Brief providing an Update on Ongoing Appeal before the Hearing Examiner on the Spring District Master Development Plan and Associated Threshold Determination under SEPA

Mr. Sarkozy asked staff to update the Council on an ongoing appeal before the Hearing Examiner.

Myrna Basich, Assistant City Manager/City Clerk, recalled that citizens during the previous week's meeting referred to a settlement related to the Spring District Master Development Plan. She observed that some members of the Council interpreted this to refer to a settlement related to litigation. Instead, this is an ongoing matter before the Hearing Examiner and the hearings continue this week. Staff will provide an update on the matter upon its completion before the Hearing Examiner.

Councilmember Wallace said this is not the first time that a City issue has been before the Hearing Examiner and citizens and Councilmembers are asking questions. He stated his understanding that two of three parties have settled, and one is still underway. He is unsure as to why that precludes discussion of the matter, but he looks forward to a future briefing.

- (c) Management Brief providing Update on Shoreline Master Program

Mike Brennan, Director of Development Services, provided an update on the Shoreline Master Program [Page 5-11 of meeting packet]. The SMP initial draft was published in April 2011, and a public hearing on the draft was held in May. Following extensive public input, a revised draft document was published in July 2012 and is under review by the Planning Commission.

Carol Helland, Land Use Director, reported that staff has met with the Planning Commission twice since the SMP Redraft was released on July 11, 2012, to review the document, identify where it complies with previous direction from the Planning Commission, and to hear from interest groups (e.g., Washington Sensible Shorelines Association and City Boards and Commissions).

Letters from the Boards and Commissions are to be presented to the Planning Commission on September 26. Ms. Helland said that she and Mr. Brennan met with representatives of the Washington Sensible Shorelines Association and the Meydenbauer Homeowners Association to address their remaining issues. Ms. Helland said the Planning Commission anticipates two to three more meetings to finalize its report and recommendations before forwarding the overlay portion of the Shoreline Master Program to the City Council for review.

Responding to Councilmember Balducci, Ms. Helland explained that the overlay includes elements in Section 20.25E of the Land Use Code. However, the consistency amendments required in the rest of the Code will be completed later following Council direction on the overlay provisions.

Ms. Balducci expressed concern about how this item fits into the Council's work plan for the remainder of the year.

Ms. Helland said there was grant funding in the amount of \$175,000 from the state Department of Ecology for this project. The funding stipulated certain deadlines for the work.

Ms. Balducci said it has been 18 months since the first draft was released in April 2011, and she is not hearing any end in sight. She suggested that the Council, if obligated to update the Shoreline Master Program by a certain date and the Planning Commission cannot finalize its recommendation, consider moving forward to complete the plan. She is not suggesting that at this point, but believes it might be appropriate if a recommendation does not come forward over the next couple of months. Councilmember Balducci thanked staff for the update.

Councilmember Davidson requested a comparison between this overlay process and the one discussed during the earlier Study Session related to light rail regulations.

Responding to Councilmember Chelminiak, Ms. Helland confirmed that a draft was published in 2010 and reviewed by the Department of Ecology, and it has been substantially altered at this point. He questioned whether the recommended SMP will be taken back to the DOE for the agency's comments before it is submitted to the City Council.

Mr. Brennan said the plan is to bring the work forward to the Council for review. At that point, the Council can choose to send the Shoreline Master Program to the DOE for consideration before taking Council action. The City of Mercer Island chose this approach. Another option is to complete the Council's review before forwarding the program document to the DOE for consideration.

Councilmember Chelminiak said he is interested in seeing how consistent the proposed SMP is with the Council-adopted policies and principles established at the beginning of the process. He expressed concern about the potential impact of a change in the Governor, regardless of party, on the final review by the State. He is hopeful that this moves forward relatively smoothly.

Deputy Mayor Robertson commented that, typically when jurisdictions have sent their Shoreline Master Program updates to the DOE and they are approved, there is generally 20-30 pages of comments from the DOE before they are approved.

Ms. Robertson said the Planning Commission recently received the revised SMP and will discuss it on October 10. She believes the process will wrap up soon.

(d) Downtown Livability Initiative Discussion *[Continued from Study Session]*

Mayor Lee introduced continued discussion of the Downtown Livability Initiative from the earlier Study Session. His sense is that the Council is generally comfortable with staff's recommended scope of work. However, the Council had not reached a decision about additional items proposed to expand the scope of work.

Mr. Lee summarized that there was general support for the low effort/zero consultant cost items: 1) Maintenance standards for vacant sites and buildings, 2) Mechanical screening, 3) Recycling and solid waste facilities, 4) Vendor carts, and 5) Permitted uses. Additional proposed items are signage, the DT-OLB (Office/Limited Business) district (between 112th Avenue and I-405), and the Planned Action Environmental Impact Statement (EIS).

Councilmember Davidson reiterated that he would like to discuss additional items to expand the scope of work as part of the broader budget process. He questioned why the DT-OLB item is separated from the rest of the Downtown review.

Mr. Stroh said the OLB district is a vestige of more suburban style zoning and has not been revisited since 1981. Staff believes it warrants a more fundamental review versus the fine tuning envisioned for the rest of the Downtown.

Dr. Davidson said he understands the history. However, he is not convinced that it needs to be looked at separately.

Mr. Sarkozy suggested including all elements in the traditional Downtown west of the freeway as the base package, and then considering Wilburton and the Planned Action EIS as separate budget items.

Councilmember Chelminiak questioned the funding source for the \$85,000 designated for the signage item and the OLB district item. Mr. Sarkozy said staff can bring that forward as part of the budget.

Mr. Chelminiak expressed concern about expanding the scope of work. However, he concurred with the logic of including the OLB district with the rest of the Downtown. He questioned how certain items can be zero cost. He raised the issue of lots in Old Bellevue that are split by two zoning designations, and wondered whether that would be addressed as part of the work.

Mr. Stroh clarified that the items reflect zero consultant costs beyond internal staff work. The issue of split lots could be handled internally as well. However, that gets into issue of changing the Downtown Subarea boundary which is complicated given the history of the area. While the item might not require consultant work, it could potentially consume a great deal of staff time. If the Downtown Subarea boundary is changed, the matter becomes a Comprehensive Plan Amendment as well as a Land Use Code Amendment.

Mr. Chelminiak noted his understanding that the split lot issue involved a transition area but not the Downtown boundary. Mr. Stroh said that everything south of Main Street should be Perimeter A, so there should not be a split in the perimeter designation there. However, he can research the issue and get back to the Council.

Councilmember Wallace, noting that this is the first discussion of the Downtown Livability Initiative in which he has been involved, referenced his role as the President of Wallace Properties. He and City staff have looked into the potential for a legal conflict of interest

regarding his participation in the discussion of the Downtown Livability Initiative and have determined that there is no conflict of interest. Mr. Wallace said that he does not personally own any property in Bellevue other than his house. Wallace Properties does not own any property anywhere but manages property for others, including property owners in Downtown Bellevue.

Councilmember Wallace said that his parents own interests in four Bellevue properties, three are in the Downtown and one is near the hospital district. Of the three in the Downtown, one is in the OLB zone and two are in the MU (Mixed use) zone. He referred the public to www.WallaceProperties.com for a full list of the properties managed by the company. He noted that the Downtown Livability Initiative is an areawide review rather than a property-specific rezone matter.

Moving to the substantive issues, Mr. Wallace observed that there is a cost to performing all of the work items even if there are no outside consultant costs. He would like staff's proposals providing more details on the full resources needed to complete each item/task.

Mr. Wallace agreed with comments by others that the OLB zone should be considered with the rest of the Downtown zoning. He noted that traffic is not addressed in the overall Downtown Livability Initiative.

Mr. Wallace expressed support for moving forward with the suggested scope of work, excluding the Planned Action EIS and deferring the Wilburton discussion proposed by Deputy Mayor Robertson until a later date as well.

Mayor Lee concurred with Mr. Wallace that there is no reason to exclude the OLB zone from the Downtown Livability Initiative. Mr. Lee observed that there is a sense of urgency to move forward instead of waiting for the budget process to be concluded.

Deputy Mayor Robertson agreed with Mayor Lee. She observed that there is a consensus to move forward with the work affecting all areas within the Downtown west of the freeway, as suggested by the City Manager. She said she assumes this will be part of the budget as far as it affects staffing. Staff can come back later to discuss the Wilburton area and the Planned Action EIS.

- Deputy Mayor Robertson moved to approve the scope of work for the Downtown Livability Initiative, confirming the basic scope presented in the meeting packet and adding the new elements from the expanded scope (Table 1, Page SS 2-19) with the exception of the Planned Action EIS, which will be addressed at a later date. Councilmember Balducci seconded the motion.

Mayor Lee noted that traffic issues will be addressed as part of the Downtown Transportation Plan Update. Mr. Stroh confirmed that the Transportation Commission has been working on that update for some time, and the two planning efforts will be coordinated.

Councilmember Stokes expressed support for the motion and endorsed the importance of integrating the Downtown Livability Initiative with transportation and light rail planning issues.

Councilmember Davidson said he would like the motion to be direction to the City Manager but not a final Council decision. He wants to be able to vote on items as part of the budget process.

Responding to Deputy Mayor Robertson, Mr. Sarkozy said the motion would initiate the Downtown planning process with these scoping elements and a budget allocation of \$435,000. The budget will include that amount with the elements that have been outlined in the evening's discussion. Staff will bring back, as separate items, the Wilburton Plan and the Planned Action EIS for budget consideration.

Councilmember Chelminiak highlighted that the budget allocation increased from \$350,000 in the last discussion to \$435,000 now. He recalled that \$350,000 was from the 2012 budget, but it will be necessary to identify an additional \$85,000. He questioned whether all of this work can be completed by adding the proposed half-time staffing position.

Mr. Stroh said the work will be accomplished with existing City staff in the Development Services Department (DSD) and the Department of Planning and Community Development (PCD).

Mr. Chelminiak noted the use of the word rezone and questioned the proper terminology for the work effort. Mr. Stroh described the work as a series of Land Use Code amendments that are designed to refine the Downtown Land Use Code. The current scope of work is not looking to rezone specific properties to different Land Use designations. One possible exception is the OLB district.

Councilmember Chelminiak expressed support for the motion, noting that this has been a somewhat tortured process.

Councilmember Davidson said he cannot agree that changing the FAR (Floor-area ratio) or a building height is not a rezone. He concurred with the characterization of a tortured process which, he believes, should be more straightforward.

→ The motion carried by a vote of 6-1, with Councilmember Davidson opposed.

6. Council Business and New Initiatives

Councilmember Balducci reported that she had an opportunity to meet with Claire Petersky, a longtime Bellevue resident and member of the Pedestrian and Bicycle Committee who is now the Executive Director of Eastside Friends of Seniors (formerly known as Faith in Action). The organization matches volunteers with senior adults who need help with transportation, grocery shopping, and other errands and chores. The organization is nationwide and recently opened an office in Bellevue.

Councilmember Wallace noted that he serves on the Eastside Transportation Partnership's legislative subcommittee, which has wrapped up its initial draft of the transportation policy. He suggested that the Council find time as soon as possible to solidify its legislative agenda as well.

Mr. Sarkozy said the Council's transportation priorities can be addressed on September 24 during Regional Issues.

7. Approval of the Agenda

- Deputy Mayor Robertson moved to approve the agenda, and Councilmember Wallace seconded the motion.
- The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

- Deputy Mayor Robertson moved to approve the Consent Calendar, with the exception of Items 8(l) and 8(m). Councilmember Stokes seconded the motion.
- The motion to approve the Consent Calendar, as amended, carried by a vote of 7-0, and the following items were approved.
 - (a) Minutes of August 6, 2012 Study Session
Minutes of August 6, 2012 Regular Session
 - (b) Resolution No. 8442 authorizing approval of payment in the amount of \$47,752.51 for a Release of All Claims in final settlement of a subrogation claim against the City by American Family Insurance for property damage to the Rhodea residence caused by a water system failure.
 - (c) Ordinance No. 6074 amending Section No. 3.43.020, adding a new Section 3.43.055, and amending Section 3.43.320 of the City Code to be consistent with State law relating to the possession and discharge of firearms and other weapons in City parks.
 - (d) Resolution No. 8443 authorizing execution of all documents necessary for approval of payment in the amount of \$20,973, to implement partial settlement of the lawsuit for personal injury damages filed by Evelyn Rissman and Donald King against the City.
 - (e) Resolution No. 8444 authorizing execution of a five-year Lease Agreement with T-Mobile West, LLC, with an automatic five-year extension, for an existing monopole with antennae and site equipment at Fire Station No. 8, located at 5701 Lakemont Boulevard SE.
 - (f) Resolution No. 8445 setting October 15, 2012 as the date for a public hearing to consider the vacation of a portion of NE 28th Street between 116th Avenue NE and 120th Avenue NE.

- (g) Resolution No. 8446 authorizing execution of a Memorandum of Understanding to partner with the Bellevue Rotary Club to expand the Downtown Park playground with a focus on inclusive, accessible play opportunities.
- (h) Resolution No. 8447 authorizing execution of a general services contract with the Washington State Department of Ecology (DOE), in an amount not to exceed \$138,100, for the use of a Washington Conservation Corps (WCC) crew to implement trail improvements to the Coal Creek Natural Area trail system.
- (i) Resolution No. 8448 authorizing execution of a two-year general services contract with MacDonald-Miller, in the amount of \$113,970, with the option to renew for an additional two years, in an amount not to exceed \$113,970, for HVAC maintenance and repairs at 25 Parks Department facilities.
- (j) Ordinance No. 6075 authorizing: 1) execution of an amendment to the Interlocal Agreement with King County providing the City with \$750,000 in King County Conservation Futures Levy proceeds; 2) amending the 2011-2012 General CIP Fund appropriation by \$750,000 from King County Conservation Futures Levy proceeds; and, 3) amending the 2011-2017 Capital Investment Program (CIP) Plan to increase the budget for the Parks Levy-Acquisition (CIP Plan No. P-AD-82) by \$750,000.
- (k) Resolution No. 8449 authorizing execution of all documents necessary for the purchase of the Somerset Development 1, LLC property identified by King County Assessor's Tax Nos: 152405-9148 and 152405-9019, for the purchase price of \$900,000, plus estimated closing costs of \$3,000.

Items Postponed:

- (l) Resolution No. 8450 authorizing the Police Chief to execute certain Interlocal Agreements (ILA) with other cities and public agencies to provide mutual aid, mobilization, and information sharing between law enforcement departments of the public agencies, where the ILAs have a demonstrable benefit to public safety and there is no fiscal impact to the City.
 - (m) Ordinance No. 6076 amending Chapter 14.30, Section 14.30.185 of the Bellevue City Code to address the relocation of facilities for City or other public projects in the right-of-way.
9. Public Hearings: None.
10. Land Use: None.
11. Other Ordinances, Resolutions and Motions

- (a) Resolution No. 8451 authorizing execution of an Interlocal Agreement between Governmental Agencies providing for legal challenges to the 2013-2018 Phase II NPDES permit including the joint administration and cost-sharing for outside counsel and authorizing execution of an Agreement for Professional Services between the City of Bellevue, as lead agency for the Coalition and Foster Pepper PLLC to provide legal representation and services to the Coalition to pursue the legal challenges.

City Manager Sarkozy said that Resolution No. 8451 authorizes the execution of an Interlocal Agreement between governmental agencies providing for legal challenges to the 2013-2018 Phase II NPDES (National Pollutant Discharge Elimination System) permit. He said a similar joint approach has been used in the past to appeal certain provisions in the administration of state and federal requirements.

City Attorney Lori Riordan explained that the NPDES permit regulates the City's collection and discharge of stormwater. Permits are generally issued for periods of five years, and Bellevue received its first permit in 2007. That permit was appealed as part of a coalition. The new version of the permit was issued on August 1, 2012, and is not scheduled to go into effect until 2013. However, any appeals of the permit are required to be filed within 30 days of the issuance on August 1.

When the City appealed the original permit with a coalition of more than 30 cities and counties, the appeal provided changes to the permit that allowed cities and counties to better manage their stormwater discharge and collection. The latest permit has some provisions of substantial concern, and an appeal was filed on August 31 on behalf of several cities, including Bellevue, and Cowlitz County. The interlocal agreement approved by Resolution No. 8451 creates the coalition to share costs and resources toward improving the NPDES permit conditions. Participating jurisdictions at this point are Auburn, Bainbridge Island, Bellevue, Burlington, Des Moines, Everett, Kent, Issaquah, Mt. Vernon, Renton, Seatac, Snoqualmie, Sumner, and Cowlitz County. Ms. Riordan said she was notified earlier in the day that the Longview City Council voted to join the coalition, and other cities are still considering whether to participate.

Ms. Riordan noted that the bases for the appeal are listed on pages 11-2 and 11-3 of the meeting packet. The coalition selected the law firm of Foster Pepper PLLC to file the appeal. The same attorneys handled the appeal on behalf of the coalition in 2007.

- Deputy Mayor Robertson moved to approve Resolution No. 8451, and Councilmember Davidson seconded the motion.

Councilmember Stokes expressed support for the objectives of the Federal Clean Water Act and the City's participation in this effort. He encouraged the coalition to find common ground with the State Department of Ecology and to ensure that the requirements are appropriate.

- The motion carried by a vote of 7-0.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:57 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

September 24, 2012
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Chelminiak, Davidson, and Stokes

ABSENT: Councilmembers Balducci and Wallace

1. Executive Session

Deputy Mayor Robertson called the meeting to order at 6:03 p.m. and declared recess to Executive Session for approximately 10 minutes to discuss one item of potential litigation.

The meeting resumed at 6:24 p.m., with Mayor Lee presiding.

2. Oral Communications

- (a) Scott Lampe, a Surrey Downs resident, recalled a recent survey in his neighborhood which received nearly unanimous support for the East Link MOU alignment, with the train going under SE 4th Street between SE 8th Street and Main Street. He expressed concern that cost savings to help fund the Downtown tunnel will result in reduced mitigation measures adjacent to neighborhoods. He urged the City to keep with the plan that places the light rail train under SE 4th Street.
- (b) Arjun Sirohi, representing the Surrey Downs East Link Committee, expressed concerns related to the light rail project including noise and visual impacts, reduced property values, reduced access into the neighborhood for residents, and environmental impacts. He submitted his comments in writing and urged the Council to keep the train in a trench under SE 4th Street.
- (c) Sharon Linton, Visit Bellevue Washington, recalled her presentation to the Council on August 6. She updated the Council on the organization's 2013-2014 Budget and submitted a written proposal. Visit Bellevue Washington is requesting \$50,800 in funding support from the City. Ms. Linton noted that she has met with Councilmembers individually over the past month.

- (d) Lincoln Vander Veen, Public Affairs Manager for the Bellevue Chamber of Commerce, urged the Council to consider changes to the utility water rate structure in a comprehensive manner and to not adopt an ordinance on the topic that evening. He asked the Council to delay a decision until all issues can be thoroughly studied.
- (e) David Plummer commented on Agenda Item 3(d) regarding the utilities water rate structure. He noted that, according to City staff, the current water rate structure is no longer effective in promoting affordability of basic water use, and it does not generate stable revenues. However, Mr. Plummer said that neither staff or the City's consultant have provided an analysis to substantiate their assertions. He said that water revenues have gradually increased with minor fluctuations from 2004 to 2011. Annual per capita water use has declined, but per capita water revenues have increased. Mr. Plummer referred to materials he previously provided to Council and to the Environmental Services Commission. He said there has been no publicity on this proposal and agenda item or discussion. Mr. Plummer urged the Council to direct the City Manager to conduct a study of the City's Water Utility, especially given the increases forecast by the Cascade Water Alliance.
- (f) Sam Bellomio, Stand Up America, noted his ongoing communications against red light cameras. He asked Councilmembers to change things that citizens want changed. He expressed concern that money generated through the use of red light cameras goes to the County and to the camera vendor. He questioned how much money the City actually receives. Mr. Bellomio said that speed limits change frequently on key Bellevue arterials, which he feels are speed traps. He said that traffic accidents have not decreased since the cameras were implemented.
- (g) Alex Zimmerman, Stand Up America, estimated that the four-year, 300-page investigation that he has been discussing with the City probably cost \$50,000. He questioned who is responsible for this money, and he alleged that the City has passed the statute of limitations for his case. He noted class action lawsuits that he has initiated.
- (h) Rich Parks said that he is a member of WPPI, which hopes to develop the Marriott Hotel. He said that WPPI has been working with City and Sound Transit staff over the past seven months toward this goal. Mr. Parks thanked Steve Sarkozy, Kate Berens, Dave Berg, Mike Brennan, and Gregg Schrader from the City, and Steve Sheehy and Ron Lewis from Sound Transit, for working with WPPI. Mr. Parks asked the Council to approve the proposed agreement [Agenda Item 3(b)] to allow them to move forward to close on the property by the end of the month. He noted that WPPI has submitted permit applications, and the building is approximately 80-percent designed.
- (i) Howard Katz, Vice President of the Lake Bellevue Homeowners Association, referred to a recent hearing before the Hearing Examiner involving the City, Wright Runstad, and the Lake Bellevue Homeowners Association. Mr. Katz expressed concern that residents of some of the buildings on Lake Bellevue did not receive notices of the hearing because

they are more than 500 feet from the Wright Runstad project. Mr. Katz said he and his neighbors were at the hearing to protect their natural environment. Mr. Katz expressed concern that the project was reviewed in pieces, rather than as an overall site. For traffic impacts related to the Spring District development, the analysis included only two intersections. Mr. Katz said the community relies on the City Council to ensure that a thorough analysis is completed. He noted that the State Environmental Policy Act (SEPA) requires cities to study environmental impacts with full public participation. He observed that issuing a determination of non-significance (DNS), breaking the development into 27 small projects, failing to study traffic impacts to the freeway ramps, and collecting only 11 comments from the public violates the letter and spirit of SEPA. Mr. Katz thanked the Council for the opportunity to comment.

- (j) Sherman Lee expressed concern about the conduct of three Bellevue police officers in a recent incident. He said this brings shame and embarrassment to the City and to others who work in law enforcement. He hopes the matter will be resolved soon. He said his second issue was Bellevue's increasing cultural diversity. He lives in the Somerset neighborhood. Mr. Lee asked the Council to think about how the City would like to engage residents and to integrate them into the fabric of the community. He observed that there is low participation in public meetings and other activities by minority groups. Mr. Lee recommended that Council and staff explore creating a new commission to address cultural diversity. He suggested that the commission focus on engaging the community including social service groups. Mr. Lee said he will submit his comments in writing.

Mayor Lee confirmed that this is an important topic for the Council. He thanked Sherman for offering his thoughts and ideas and encouraged him to stay engaged in community issues.

- (k) Joe Rosmann, Co-Chair of Building a Better Bellevue, commented on the permitting approach for the East Link project. He said he felt good after last week's meeting and the discussion about the permitting process. However, he was astounded by the article in the *Bellevue Reporter*, which did not report the issues as he understood them from last week's meeting. The article refers to motions, but he has reviewed the video four times and did not see or hear any. He expressed concern about an upcoming deadline for public comment on the SEPA process. His understanding was that the process would be suspended. Mr. Rosmann said his next topic is transit-oriented development (TOD). He said Bellevue has been identified by the Puget Sound Regional Council (PSRC) as the top candidate in the three counties for TOD. He observed that PSRC is not hearing the City Council's comments that TOD will not be implemented in certain areas.

Mayor Lee assured Mr. Rosmann that the Council will be discussing these issues.

Deputy Mayor Robertson said the Land Use Director, Carol Helland, plans to reissue the SEPA and public comment notice this week.

Mayor Lee said this is a controversial topic and the City needs to communicate a clear message to the public and to Sound Transit.

- (l) Bruce Nurse, Vice President for Kemper Development Company, said he serves as a Board Member and Treasurer for the Eastside Transportation Association, a private sector group. However, speaking on behalf of the Kemper Development Company, he encouraged Bellevue's continued leadership in state legislative priorities involving transportation revenue. He distributed copies of a pamphlet published by the ETA entitled *Raising Revenues* and one-page copies of the Highway Fund 18th Amendment to the State Constitution, which he believes will be a topic during the upcoming legislative session. Mr. Nurse thanked the Council for its work for the community.

3. Study Session

(a) Council Business and New Initiatives

Police Chief Linda Pillo said the Police Department staff of 219 employees does an outstanding job. The City enjoys a low crime rate, our officers are well trained, and the Police Department is accredited by a national organization. In the City's annual performance survey earlier this year, 90 percent of residents said they feel safe or very safe walking alone in their neighborhood after dark. Of residents having contact with the Police in 2011, 71 percent reported having an excellent or very good experience with the officers.

Chief Pillo said that, unfortunately, the good work of the department has been overshadowed by incidents involving three off duty officers at a Seattle Seahawks game on September 16. She assured the Council that she shares their concerns about the reported actions of these officers. The incidents have been embarrassing and disheartening. Chief Pillo said the Police Department's Office of Professional Standards is conducting a thorough and fair investigation, which is expected to be completed in approximately 30 days. At that time, she will impose appropriate discipline for any and all violations that occurred.

Chief Pillo said the actions of the officers do not reflect the work of the Bellevue Police Department as a whole. She is proud of the Department's work and dedication to providing the highest level of law enforcement. She promised to hold employees accountable for any off duty violations that adversely impact the City or the Police Department. However, she must wait for the investigation to be completed. She said employees have due process rights that must be respected. The investigators are interviewing all witnesses to document what happened, and when the investigation is complete, Chief Pillo will impose the appropriate discipline. This will help to reassure the public that improper off duty behavior will not be tolerated, and it will provide an avenue for professional improvement.

Chief Pillo acknowledged that the reported acts have damaged the Police Department's reputation and its relationships with the community and with the Seattle Police Department. This past week, Chief Pillo and Bellevue Police staff have reached out to Seattle Police staff to help rebuild relationships. The Office of Professional Standards staff has communicated with the citizen who reported the behavior inside the Seahawks game. In a recent online comment on a newspaper web site, a person who identified himself as this citizen wrote the following: "From

the moment I called Bellevue P.D. on Monday, they have investigated this matter with honesty, integrity, and in my belief, a real interest in getting to the bottom of what happened. In no way do I think that these three officers' behavior is indicative of the Bellevue Police Department." Chief Pillo said she hopes that the rest of the community agrees. However, in any case, the Police Department has some fence mending to do to regain trust and respect.

Chief Pillo said the Police Department will conduct its investigation swiftly and hand out the appropriate discipline fairly. She said the Department also can build trust by continuing to do what it does best, which is providing the high quality law enforcement services that Bellevue residents expect.

Chief Pillo said this incident has been difficult for everyone. She apologized to the Council and thanked them for the confidence they have shown in the Police Department as it continues working to make a positive difference in this community.

Mayor Lee thanked Chief Pillo for her professional response and her work with the community and the Seattle Police Department. He praised the good work and reputation of the Bellevue Police Department over many years. Mayor Lee said he looks forward to an appropriate resolution of this matter. He hopes the incident has not shaken the confidence of the public. However, he believes that any damage that has been caused can be repaired quickly. Mayor Lee thanked Chief Pillo and assured her of the Council's confidence in her and the Police Department.

Moving on to Council Business, Councilmember Davidson said he was dismayed to read the *Bellevue Reporter* article about all of the decisions the Council made the previous week. He recalled that he asked a number of questions during the meeting about the proposed East Link Land Use Overlay, and he has not received answers to them. Dr. Davidson noted his request to discuss the topic of transit-oriented development as well.

Mayor Lee concurred with the need to clarify what occurred at the meeting the previous week versus how it was reported. City Manager Sarkozy concurred.

(b) East Link Agreement for NE 2nd Street Parcels

Resolution No. 8452 authorizing the City Manager or his designee to execute documents related to providing a staging area for construction of East Link.

City Manager Steve Sarkozy provided opening comments. He recalled that the City is obligated to provide a Downtown construction staging area in support of the East Link light rail tunnel. Staff is seeking approval of an agreement to provide the staging area which involves a number of properties and City rights-of-way in and around 110th Avenue NE and NE 2nd Place.

Kate Berens, Deputy City Attorney, explained that Resolution No. 8452 authorizes the execution of documents related to providing a staging area for the construction of East Link, including a temporary construction easement. She recalled that the City signed the East Link Memorandum

of Understanding (MOU) in November 2011. The agreement identified an up-front contribution to the project from the City of \$100 million, which would include a construction staging area for the Downtown tunnel.

Ms. Berens described the HEI site, which is under contract with WPPI and intended for future hotel development. This site was originally designated for construction staging. However, over the past few months, an alternate site has been identified.

Ms. Berens said the four parties to the agreement are the City, Sound Transit, HEI and WPPI. The agreement establishes that the City and Sound Transit have identified an Alternative Staging Area and establishes certain rights to be acquired from WPPI. It addresses the coordination of hotel and transit construction and the coordination of hotel operations with continued light rail construction.

Ms. Berens described the City's obligations under the agreement. The City will not acquire the site for staging except as provided in the agreement. The City will acquire certain temporary and permanent easements for East Link, and will allow the use of the park easement area for staging. The City does not waive its permitting authority.

Ms. Berens said that minor changes have been requested by the parties today, and these are provided in the desk packet. Under the agreement, the yellow block on the map will not be used for staging but will instead be the site for a future hotel. Hotel construction is anticipated to begin in October. The agreement indicates that Sound Transit agrees to abide by all typical permitting processes, conditions, and mitigation. The hotel developer agrees to not seek additional permit conditions or object to those permits as long as Sound Transit complies with all of those processes.

Ms. Berens said that WPPI agrees to make certain changes to its hotel plans. These include requirements regarding the hotel's foundation design related to future light rail tunneling and frontage improvements along 110th Avenue. The hotel's entrance will be located on 111th Avenue during light rail construction, and the permanent entrance will be on 110th Avenue.

The agreement modifies the existing City park easement to allow for construction and to delay the interim park improvements required under the easement until East Link construction is completed. Ms. Berens said there is additional language in the agreement about coordination between the City, Sound Transit, the hotel developer, and the hotel operator while construction goes forward. Exhibits attached to the agreement represent the form of permanent and temporary easements that the City will acquire on Sound Transit's behalf along 110th Avenue NE.

In addition to the agreement, Ms. Berens said the Council is being asked to grant a temporary construction easement to Sound Transit for the entire term of East Link construction. Responding to Mayor Lee, Ms. Berens said construction is anticipated to begin in 2015 with early utility relocations. The term of the agreement would start in 2015.

Ms. Berens recalled that the City has talked about creating linear parks in the vicinity of the construction staging area and widening NE 2nd Street in the future. The City has initiated outreach to those property owners to discuss acquiring their properties. The Council is not being asked to approve any particular action regarding these properties tonight, however.

Mayor Lee questioned whether the easement is consistent with the rest of the permitting process that the City has been negotiating with Sound Transit. Ms. Berens said it is actually separate from that issue. It represents the City's granting a property right over those areas. It does not waive or approve any permits that Sound Transit would need to complete its work.

Ms. Berens highlighted minor changes made to the agreement in the desk packet since the meeting packet was distributed to the Council on Friday.

Ms. Berens requested Council approval of the agreement and easements, and noted that the Sound Transit Board will address the agreement on September 27. She said that future Council approvals will be necessary for property acquisition.

Deputy Mayor Robertson observed that the agreement is consistent with the East Link MOU and future park and road plans, and it will bring a new hotel to the Downtown. She supports the agreement.

Councilmember Davidson said he will support the agreement. However, he still prefers a full light rail tunnel and believes it could be done. He looks forward to the addition of a hotel, which supports economic development within the community.

Councilmember Chelminiak said this is great news and that it will be good to have a new hotel. He noted the update on Visit Bellevue Washington which highlighted the importance of bringing visitors to the community. This action supports bringing the light rail tunnel into the Downtown and the future development of small parks in the area.

Councilmember Stokes concurred with his colleagues' comments. He believes this fits well with the Downtown Livability Initiative. He commented that this is a great site for a hotel and he is pleased to see this coming together. Councilmember Stokes congratulated everyone who has been involved in the discussions.

Mayor Lee said this has been part of the City's vision for quite some time. He is pleased with the project. He stated that the agreement does not waive any of the City's rights or permitting requirements. He encouraged the hotel developer to look for synergy and potential cost savings with other projects.

→ Deputy Mayor Robertson moved to approve Resolution No. 8452, as modified in the desk packet version. Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 5-0.

Mr. Sarkozy said this might be a good time to also talk about the structure of the code modifications consistent with the East Link MOU.

Ms. Berens recalled the previous week's discussion in which staff presented two parallel permitting paths within the East Link overlay district. Staff's understanding was that there was Council support to pursue an overlay district. Staff is not requesting that one of the paths would be chosen now, but instead the Land Use Code would accommodate two different futures depending on a number of other issues between the City and Sound Transit.

The overlay will be processed over the coming months. If the City and Sound Transit are in agreement on the light rail alignment, the overlay will allow for a consolidated permit process with a development agreement. If the project is not on that path, the conditional use permit (CUP) is an option.

Ms. Berens explained that the overlay would fill a number gaps in the current Land Use Code, which does not directly address light rail. She clarified that there have not been any Council decisions. However, staff believed there was a general consensus to proceed with the recommended approach. Staff's discussion with the Council on October 8 is focused on filling those gaps in the Land Use Code. Staff will provide information on how similar development in Bellevue is handled (e.g., power substations for Puget Sound Energy).

Ms. Berens said a new notice will be published in this Thursday's permit bulletin to highlight that the previously published comment period was a minimum comment period, but the City does take public comment through the entire process until Council final action. A formal opportunity for public comment on this topic is scheduled for the October 22 Council meeting. A drop-in session is scheduled for next week on the cost savings effort between the City and Sound Transit and the overall project process.

Deputy Mayor Robertson said she wants the City to make sure that relevant documents are available to the public before the SEPA comment deadline as well as the Land Use Code amendment deadline.

Deputy Mayor Robertson commented on her perspective of what happened during the previous week's Council meeting. The issue was whether staff should move forward with drafting an overlay approach with the two permitting process or go through the Land Use Code and propose amendments under every potential applicable section. The discussion was about the approach and not about content. She believes she heard that at least six of seven Councilmembers expressed support for the overlay approach. The Council also directed a public and transparent process. Although the Council did not take a formal vote and the news article possibly misinterpreted some of the discussion, Ms. Robertson said she felt the article was generally accurate.

Councilmember Stokes said he thought the Council's discussion contained sufficient detail about the direction it was giving to staff. He agreed that a majority of the Council expressed strong support for the overlay approach.

Councilmember Davidson referred to the City's communication release on September 19, which he believed was not completely accurate. He raised several issues, having been through overlays before, that this cannot be done in six weeks. He recalled that he also asked whether, without knowing where the alignment is going, a supplemental environmental impact statement (EIS) would be conducted. He does not believe that an overlay affecting 20 Land Use districts can be established within the next six weeks. He is concerned that the Council is going to get itself in trouble.

Councilmember Davidson said he would like answers to his previous questions. He referred to Ms. Berens' memo in the desk packet, which clarifies that the Council did not commit to amend the Land Use Code, as actual adoption of an ordinance is a legislative action. The memo also states that the City did not agree in the MOU to relax any mitigation standards for Sound Transit.

Mayor Lee observed that the Council has not made any commitments to specific code changes. However, the Council agreed to a path or approach to continue with the collaborative effort with Sound Transit. While developing an overlay within the short time period could prove to be impossible, he believes the Council needs to move forward with this approach and to engage the public. He said the bottom line is what is right for Bellevue.

Dr. Davidson concurred. He wants to be sure that expectations for the Council and the public are clear. He believes the deadline with Sound Transit could be changed.

Mayor Lee said this should be communicated with Sound Transit to manage the agency's expectations as well.

Councilmember Stokes said he is pleased that the Council supports the overlay approach. He believes that the Deputy Mayor summarized it well, and he encouraged moving forward as quickly as possible.

Mayor Lee concurred and suggested that the City clarify this information in a press release.

At 8:11 p.m., Mayor Lee declared a short break.

The meeting resumed at 8:18 p.m.

(c) Updates on the Multi-City Tax Portal Project and the Tax Model Ordinance and Potential Bellevue Tax Code

Mr. Sarkozy opened discussion regarding the City's efforts to clarify the Business and Occupation (B&O) tax code.

Finance Director Jan Hawn introduced staff's update on the Multi-City Tax Portal project and changes to the Model Ordinance. The City's tax policy is to maintain a taxpayer friendly environment that is sensitive to the needs of businesses, simplify compliance with the tax code,

minimize tax administration costs, and to gain consistency with other taxing jurisdictions where possible. She said these policies have served the City well over the years and enhanced Bellevue's reputation as a business friendly jurisdiction.

Ms. Hawn introduced Chris Bothwell, the City's new Tax Division Manager. She noted his previous experience as the State and Local Tax Manager for Clark Nuber and an Auditor with the State Department of Revenue. Mr. Bothwell provided an overview of the Business and Occupations (B&O) tax. He explained that the gross receipts tax is measured by the gross income/receipts of the businesses, which are classified into one of six classifications. Several deductions and exemptions are available for taxpayers. The tax rate is 0.1496 percent for all classifications.

Responding to Mayor Lee, Mr. Bothwell said that one of the most frequent deductions is for sales delivered outside of Bellevue. Other deductions include bad debts and cash discounts. The gross receipts tax generated approximately \$22.5 million in 2011.

Mr. Bothwell described the square footage tax. The purpose is to tax business activities that occur in the city in which no gross revenue is attributable to those activities. The tax rate is \$0.2318 per taxable square foot.

Responding to Mayor Lee, Mr. Bothwell said a business pays one or both taxes, depending on its specific situation. He provided examples of B&O tax calculations for different types of businesses, noting that certain deductions affect the tax paid as well.

Moving on, Ms. Hawn explained that the Multi-City Tax Portal project is an online tool involving five cities. She recalled a proposal during the last legislative session to implement state-centralized administration of the B&O tax, which was estimated to cost Bellevue up to \$6 million annually. The Portal project is in response to simplifying the administration of the tax. The Association of Washington Businesses (AWB) supported the statewide centralization. However, cities believe that the Portal project can be implemented in a more timely and effective manner. It also allows cities to maintain their local tax policy control.

Ms. Hawn said the five cities have moved forward with the Portal project. Independent consultants have confirmed that the policies and practices of all of the cities reflect sufficient consistency to indicate that this is a viable project and that the technology can be robust enough to create an effective tool.

Sara Lane, Assistant Director of Finance, said the five cities (Bellevue, Bellingham, Everett, Seattle, and Tacoma) have been working closely to develop the Portal project with the goals of simplifying business licensing and tax filing, improving customer service, sharing data, and lowering costs. The cities have been working with businesses, business organizations, focus groups, and other B&O cities in developing the Portal project. The project is building the program toward the objective of involving all B&O cities in the future. The cities are also working with the State Department of Revenue to establish a partnership for the future.

Ms. Lane said the cities plan to finalize the project requirements by October and to issue a Request for Proposal (RFP) for the Portal in the fall. More details on the proposed governance and funding models will be presented to the Council in November. Development of the Portal is scheduled for 2013 with implementation to begin in 2014.

Ms. Lane described the development of a Model Ordinance, which was originally drafted by Washington cities in response to business concerns about inconsistencies among cities. In 2001, the cities voluntarily adopted the Model Ordinance. In 2007, House Bill 2030 required formal adoption of and amendments to the Model Ordinance. One provision was that the law could be changed only every four years. The last update was adopted in 2008.

Ms. Lane said that six cities (Bellevue, Bremerton, Lacey, Longview, Seattle, Tacoma) have been actively involved in reviewing the Model Ordinance and developing proposed amendments. These address adopting digital products, clarifying the Board of Directors, repealing the "Super Nexus," acknowledging the insurance business preemption, creating consistency with the State with regard to first mortgage interest, and codifying administration provisions regarding confidentiality. "Super Nexus" was a State definition that the State determined to be unenforceable. This item, related to first mortgage interest, has limited impact to Bellevue businesses because it applies only to banks operating in more than 10 states.

Ms. Lane said that all of the changes are aimed at improving consistency with the State and among all cities as this is critical to simplifying and streamlining tax compliance for businesses. They are not intended or anticipated to produce revenue for the cities. Staff will request Council action in November on the proposed changes to the Model Ordinance, which will go into effect on January 1.

Councilmember Davidson said he would like information on the gambling tax, which seems like double taxation to him. There is a gross receipts tax as well as a tax on the money received from the gambling. He questioned the amount of revenue generated by the gambling tax. He noted that the money is intended to be used for youth programs. He questioned how this is being monitored.

Responding to Mayor Lee, Ms. Lane said the Association of Washington Cities oversees and coordinates the Model Ordinance. The five cities involved in the Portal project are working equally together. Ms. Hawn said the cities are still studying governance structure alternatives and a recommendation has not been developed. In further response, Ms. Lane said the State Department of Revenue is fairly neutral on the Portal project and has been open about sharing information.

Councilmember Davidson said he spoke with the Governor about the B&O tax centralization issue approximately a year ago. The State backed off its proposal and was receiving pressure from the Association of Washington Businesses (AWB). Dr. Davidson noted that the Association of Washington Cities (AWC) indicates that both candidates for Governor are generally in favor of the Portal project.

Responding to Councilmember Chelminiak about the cost savings of the Portal project, Ms. Lane explained that the State would have had to fund and build a new system, which was estimated to occur over a five-year period at a significant cost. The five-city Portal project can be implemented faster and at a lower cost.

Mr. Chelminiak noted that the State's proposal last year represented a potential loss of \$6 million in revenue to the City, which would have decreased General Fund resources available for public safety, parks, human services, and other programs as well as capital projects funding. He observed that the Portal project will benefit cities, businesses, and taxpayers.

Mayor Lee said it is important for the Association of Washington Businesses and tax preparers to understand the benefits of the Portal project. He thanked staff for their work.

Ms. Lane summarized that City staff is committed to simplifying tax compliance for businesses.

Mr. Bothwell said the Tax Office has identified a number of opportunities to simplify reporting for taxpayers and to make the tax code easier to follow. This includes a few administrative or housekeeping changes as well as a proposal related to calculating the square footage tax.

Staff is seeking Council direction to engage the business community (Bellevue Chamber of Commerce and the Bellevue Downtown Association) to address issues and identify opportunities to clarify and simplify reporting for taxpayers. Staff anticipates returning to the Council in November to discuss specific code changes.

Mayor Lee encouraged staff to solicit ideas from local businesses. He thanked staff for the presentation.

(d) Proposed Redesign of Utilities Water Rate Structure

Mr. Sarkozy proposed postponing discussion of this item, noting that two Councilmembers are absent. He commented that, over time, water usage has declined due to conservation and a number of other factors, which changes the underlying assumptions of the water rate structure. He said that reapportioning who pays for the base rate is one of equity, and staff would like to come back at a later date to address this issue. He said there is a relatively small budget adjustment in revenues for this size of utility. However, the secondary issue relates to Lake Tapps which is under the authority of the Cascade Water Alliance.

Mayor Lee summarized that staff will come back with more information. He would like the City to conduct outreach with residents and businesses on this issue.

Councilmember Chelminiak wants to ensure outreach to the business community, rental housing, and other multifamily associations. Responding to Mr. Chelminiak, Mr. Sarkozy said this item can be delayed without negative impacts. Mr. Chelminiak noted that concerns have been raised within the community by placing this on the agenda. He would like some public education and outreach before the issue comes back to the Council.

Councilmember Stokes concurred with the need for public outreach. He said that, as Council liaison to the Environmental Services Commission, he spoke with the Utilities Director that day. The Commission is interested in this issue as well. Mr. Stokes said that it is good to separate this issue from the budget process.

Councilmember Davidson suggested a public hearing before the Environmental Services Commission.

Deputy Mayor Robertson suggested outreach to additional parties including the Seattle Rental Housing Association (which covers the Eastside), the business community, and other professional/business organizations. While the rate structure reduces rates for most single-family residential customers, it increases rates for 93 percent of commercial properties. She suggested that the issue can be delayed until next year, and Mr. Sarkozy concurred.

(e) Regional Issues

(1) 2014-2019 King County Medic One/EMS Levy

Mr. Sarkozy made opening comments about regional issues. He noted that this region's Emergency Medical Services (EMS) system is among the best in the country.

Joyce Nichols, Interim Director of Intergovernmental Relations, introduced Deputy Fire Chief Mark Risen and Battalion Chief Mark Moulton. Ms. Nichols said the 2014-2019 King County EMS Levy planning process began in October 2011 by the EMS Levy Advisory Task Force.

Councilmember Davidson served on the Task Force and Fire Department staff served on all four subcommittees (Advanced Life Support (ALS), Basic Life Support (BLS), Regional Services, and Finance).

Ms. Nichols said the current King County EMS Levy will expire December 31, 2013. The plan is to place a new six-year levy on the Fall 2013 ballot. Cities with populations over 50,000 must authorize the ballot issue. Those cities are Auburn, Bellevue, Federal Way, Kent, Kirkland, Redmond, Renton, Seattle, and Shoreline.

Deputy Chief Risen said that Bellevue currently receives \$10 million in funding each year from the EMS levy. This includes \$8 million for four firefighter/paramedic Advanced Life Support (ALS) units and \$2 million for firefighter technicians.

Deputy Chief Risen described the regional system which is based on partnerships and a tiered medical response structure. The EMS Task Force recommended continued full cost recovery for ALS services, maintaining the current funding level for BLS services, enhancements to support services (i.e., cost controls and efficiency measures), and no expansion of the system. The proposed levy rate is slightly higher than the current rate due to the drop in assessed valuation of

properties. The average Bellevue household paid \$135 per year in 2012 and will pay \$156 per year in 2014.

The 2014-2019 King County EMS Strategic Plan will be finalized by January 2013 and forwarded to the cities for their endorsement of the ballot measure.

Mayor Lee noted that Bellevue citizens pay \$11.2 million through the levy and receive \$10 million in funding assistance. Deputy Chief Risen said the contribution buys a regional system and a uniform level of response throughout the county. Battalion Chief Mouton noted that Bellevue is currently receiving \$10 million, but that will be higher over the next couple of years.

Responding to Mayor Lee, Deputy Chief Risen described the training to be provided to four Bellevue firefighters, which is very expensive.

Councilmember Davidson commented that the EMS Levy Advisory Task Force had several meetings. He supports going forward with the Task Force's recommendation. However, he noted that the final recommendation will be developed by the King County Executive.

Councilmember Stokes commented on his experience of calling for EMS for his wife, which resulted in a response by a ladder truck. He noted that the ladder truck responded because it was the closest available unit. He said it is important to understand that this type of response for the benefit of the public has a cost.

Councilmember Chelminiak said a new service, Smart 911, was launched on September 11. It provides an opportunity for residents to create a safety profile with critical, potentially lifesaving information that would be relevant to personnel responding for a medical emergency. This includes the number and description of individuals living at a residence as well as allergies and underlying serious medical conditions.

(2) Planning for the 2013 King County Parks Replacement Levies

Ms. Nichols introduced Shelley McVein, Deputy Director for Parks. Ms. Nichols said that two King County Parks levies (Operating and Expansion) are set to expire at the end of 2013. The King County Parks Levy Task Force is looking at options and developing recommendations for placing a measure on the 2013 fall ballot.

Ms. McVein said that King County has been decreasing its General Fund contribution to County parks over the past 10 years. There are currently no General Fund dollars available to maintain or operate the King County Park System. The levy passed in 2007 currently funds all maintenance and operations of King County regional and rural parks and trails. This Operating Levy has a rate of five cents per \$1,000 assessed valuation with a built-in inflation factor.

The second levy that went into effect in 2008 was the Expansion Levy, which also has a rate of five cents per \$1,000 AV. It provides funding to the County Capital Program, Woodland Park Zoo maintenance, and cities' acquisitions and trails. Bellevue received \$1.9 million over the six

years. The property tax impact countywide is \$35 million per year. The total Bellevue tax is \$3.78 million annually. This reflects a levy rate per home of \$67 per year for a \$500,000 home.

With the two levies set to expire in 2013, the County Executive established the Task Force to develop recommendations about what should be done to preserve the County's 26,000-acre system of parks and trails after the current levies expire and to meet the future parks and recreation needs of King County residents.

Ms. McVein briefly reviewed a table summarizing current service levels and explained that a higher levy rate is needed to maintain service levels because assessed valuations have decreased. She described enhanced components in the levy package. The cost impact to the average Bellevue household is \$67 per year under the 2013 levy rate, \$75 per year for current service levels in 2014, and \$96 per year for current service levels plus the enhanced components.

Councilmember Davidson expressed concern about King County's many levies. He observed that King County continues to push services traditionally funded by the General Fund to voted property tax levies. He said that Bellevue residents generally pay more than what they receive in return. He noted that Bellevue has capital needs that could potentially benefit from property tax support as well.

Deputy Mayor Robertson stated that Bellevue contributes \$3.78 million to the two King County parks levies and receives approximately \$317,000 in return. Noting the bridges and trestles on the enhanced components list, Ms. Robertson said she is surprised that Bellevue's trestle is not on the list as it is in dire need of repair. Ms. Robertson said she looks forward to reviewing the Task Force's recommendations and providing the Council's response and input to the County. She wants to ask why King County is not putting any General Fund dollars into its parks.

Responding to Dr. Davidson, Ms. McVein said the City's Parks and Community Services Board has not received this presentation. Dr. Davidson suggested a review of the levies relative to how they impact Bellevue's needs and levies. He reiterated his concern that Bellevue is careful to not increase its property tax, yet King County's use of property taxes continue to increase.

Councilmember Stokes concurred with the concerns about property taxes going to other jurisdictions. He suggested contacting members of the Task Force.

Mayor Lee said he shares these concerns about County property tax levies as well. He thanked staff for the update.

Ms. Nichols noted the memo and pie chart on property tax impacts provided in the desk packet. She recalled that these were originally prepared for the July 30 meeting. The purpose is to show the breakdown of property tax levies that affect Bellevue.

(3) Legislative Update

Moving on, Ms. Nichols noted the update on a potential state transportation revenue package provided in the meeting packet [Page 3-53]. Surveys of Bellevue residents consistently rank transportation and traffic congestion as top priorities. Ms. Nichols said there is a widespread awareness in the region that many of the larger projects, including I-405, SR 167, and SR 520, are top priorities for essentially all jurisdictions. However, she said it will be difficult for the state legislature to produce a package of revenue options that will be large enough to provide financial support for these projects. The estimated cost of expanding I-405 south of Bellevue to SR 167 is \$1.7 billion.

Ms. Nichols said that potential revenue sources include increasing the statewide gas tax, imposing a statewide Motor Vehicle Excise Tax (MVET), increasing vehicle license fees, and imposing an annual electric vehicle fee.

Deputy Mayor Robertson confirmed that I-405 is the top Council priority.

Mayor Lee concurred. He said the State needs to come up with a transportation package, and it needs to not spread the money so thinly as to not have a significant impact in any one area. He said that I-405 is critical for the whole region. He noted that economic development in the Puget Sound region benefits the entire state.

Councilmember Chelminiak noted a number of transportation priorities: I-405, completing the SR 520/NE 124th interchange, and improvements to I-90 at Eastgate. He observed that Bellevue can be an active participant on other regional projects as well. He noted that the Council has had to focus on so many other issues that it has not been able to focus on regional transportation as much as it has in the past. He suggested that the Council discuss and identify its legislative priorities related to transportation projects.

→ At 10:00 p.m., Dr. Davidson moved to extend the meeting to 10:30 p.m. Councilmember Chelminiak seconded the motion.

→ The motion carried by a vote of 5-0.

Kim Becklund, Transportation Policy Advisor, said there are a number of opportunities for the City to weigh in on regional transportation issues and priorities.

(4) PSRC Growing Transit Communities Partnership

Ms. Nichols introduced Paul Inghram and Emil King for a presentation on the Puget Sound Regional Council (PSRC) Growing Transit Communities Partnership.

Mr. Inghram said the Growing Transit Communities Partnership is funded by a grant from the U.S. Department of Housing and Urban Development (HUD) and is being led by the Puget Sound Regional Council. The partnership involves cities, counties, and other agencies in addressing transit-oriented development (TOD). The outcome is intended to be information and tools that cities can use to address TOD in their communities.

Mr. Inghram said Bellevue staff has reinforced the Council's position on TOD. He noted that this effort does not interfere with local authority on zoning and permitting.

Mr. King said the Growing Transit Communities Partnership is led by an Oversight Committee, which is scheduled to take action on the Corridor Action Strategies in Spring 2013. He suggested a discussion with the Council early next year to understand the issues. The East Corridor Task Force will work with the OTAK consultant team on best practices and implementation tools for the East Corridor. The effort also has an Affordable Housing Steering Committee and Equity Network Steering Committee.

Mr. King announced that a public event on Growing Transit Communities Implementation Strategies is scheduled for October 30 at Seattle Center.

Councilmember Davidson noted that eight of the 74 study areas are in Bellevue, including two on the RapidRide B line (NE 10th Street and NE 15th Street). He wanted to add this topic to the agenda because Councilmembers should be aware of the study as information is being released to the public.

Responding to Dr. Davidson, Mr. King explained that a typology, as used by the GTC Partnership, is a classification system for looking at station areas and their similarities and differences. Staff's job is to analyze that information and to determine whether the classifications are accurate for their jurisdictions.

Dr. Davidson noted that the TOD is heavily focused on affordable housing and social services agencies. He wondered how well that can be accomplished based on local zoning.

Deputy Mayor Robertson said she knows that the key staff on the GTC working group have heard from Bellevue that it does not plan to add density at the South Bellevue Park and Ride or on the southwest side of the Main Street Station. She questioned why they are continuing to study those areas.

Mr. King said the work effort is looking at elements beyond TOD including improvements to pedestrian and bicycle facilities that link to transit.

Ms. Robertson questioned whether there is any indication that this effort will revive past movements to take away local zoning control. She said this is one of the most important powers of cities.

Mr. Inghram said he has not heard of any specific proposal coming out of the legislature. However, he acknowledged that there are parties who would like to diminish local control.

Councilmember Chelminiak questioned the definition of transit oriented development. Mr. Inghram said there are probably a number of definitions. In general, it is thought of as a mixed use development in proximity to transit services. In some cases, TOD might be development that

is supporting a transit connection (e.g., Park and Ride lot). However, TOD more often refers to mixed use development.

Councilmember Chelminiak referred to the South Kirkland TOD project, which will provide housing units and a couple of small business (e.g., dry cleaners and fast food outlet). He observed that this is on the low end of TOD in terms of intensity. Mr. Inghram agreed.

Noting the potential TOD sites in Bellevue identified by the GTC work, Mr. Chelminiak observed that the sites in the Crossroads area have zoning that would support TOD. He believes it is smart to locate development along the new RapidRide line. He noted that TOD potential exists in the Bel-Red Plan, the Hospital District, and the Downtown, which is good in terms of facilitating access to transit uses.

Councilmember Davidson commented that some of the targeted areas outside of Bellevue do not have high-density zoning to accommodate TOD. He observed that what many people envision is high-rise affordable housing development.

Councilmember Stokes observed that TOD is a market-driven concept, because it serves a number of needs within a community. He noted that the GTC program does not supersede local control over zoning and development. Mr. Stokes said there needs to be a conversation about what is best for Bellevue. He sees this as a potentially positive aspect in Bellevue's development.

Mayor Lee questioned what right does anyone else have to address this topic except for the City of Bellevue. He observed that the GTC Partnership is establishing an agenda and action items. Mayor Lee suggested that staff should not be discussing this topic without Council direction.

Dr. Davidson said that PSRC controls federal funding for transportation dollars. The GTC Partnership gives the agency leverage in trying to influence certain types of development.

Mr. King summarized that staff would like to come back before the end of the year for a more comprehensive review of the Growing Transit Communities Partnership and the materials produced by the program.

Mayor Lee said it is important to first determine who will be discussing this and taking action. He said it needs to be placed on the Council agenda to determine whether there is interest in the program.

At 10:31 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 1, 2012
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Balducci¹,
Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Executive Session

Mayor Lee called the meeting to order at 6:07 p.m. There was no Executive Session.

2. Study Session

(a) East Link Light Rail: Cost Saving Work Plan Findings

City Manager Steve Sarkozy opened staff's presentation of the findings of the Cost Savings Work Plan. He noted that the East Link Memorandum of Understanding (MOU) collaborative design process identified a number of potential cost saving options intended to offset part of the City's light rail tunnel funding contribution. Mr. Sarkozy said this information was shared with the Sound Transit Board on the previous Thursday.

Transportation Director Dave Berg recalled that the Council adopted the East Link Cost Savings Work Plan in June to narrow down the number of options for continued study. He said that the MOU collaborative design process is highly functioning, with staff and consultants from both agencies involved in the work. Mr. Berg introduced Ron Lewis, the East Link Executive Project Director with Sound Transit.

Mr. Berg said no action is requested of the Council tonight. The decision-making process will continue through Spring 2013. The Cost Savings Work Plan Findings report was published on Friday. Staff hopes to narrow the list of cost saving ideas by late October for further design and environmental work.

Responding to Deputy Mayor Robertson, Mr. Berg said the Sound Transit Board is expected to make a decision on which options to move into environmental review on October 25.

¹ Councilmember Balducci arrived at 6:21 p.m.

Mr. Berg said staff will return to the City Council on October 15 to seek direction on the narrowing of options as recommended by the Collaborative Design Process Steering Committee.

Responding to Councilmember Chelminiak, Mr. Lewis said the Sound Transit Capital Committee meets next on October 11 and will receive a presentation on the findings as well.

Councilmember Davidson questioned whether a supplemental Environmental Impact Statement (EIS) will be required to study the cost saving measures. Mr. Lewis said the environmental team is part of the collaborative design team. Once the cost saving measures are fully identified by the Sound Transit Board and the City Council, the environmental team will make a determination about what additional work is needed.

Dr. Davidson noted that there was a supplemental EIS for the North Link project. Mr. Lewis commented that each project is different and issues are handled individually.

Responding to Dr. Davidson, Mr. Berg clarified that the work plan contains the cost saving measures identified in June by the Council for further study.

Mr. Lewis described the recent public outreach activities. A number of stakeholder briefings have taken place, and more than 360 people attended the open houses on April 26 and June 5. Informational drop-in sessions on the Bellevue options are scheduled for October 2, 3 and 4.

Responding to Dr. Davidson, Mr. Lewis said there will not be formal, recorded oral communications during the drop-in sessions. However, citizens will have the opportunity to speak to individuals and ask questions.

Mr. Lewis described three ideas for system wide cost savings of potentially \$15 million to \$20 million which have been advanced for further engineering review: 1) Refinements to the elevated guideway design, 2) Reducing stormwater vaults through low-impact development design, and 3) Expediting tunnel construction through additional temporary road closures.

Councilmember Wallace questioned the process for determining which roads would be closed. Mr. Lewis said that involves a number of factors. One activity that Sound Transit is thinking about as part of the early phase of final design is contract packaging, which addresses how the project will be delivered and in what phases. As the design progresses to the contract level, Sound Transit will address staging areas, access and egress for the contractors, road access and potential road closures.

Councilmember Wallace questioned how Sound Transit developed an estimate of cost savings related to road closures. Mr. Lewis said that preliminary engineering assumed that temporary street closures could occur in the Downtown on 110th Avenue, for example. Since that time, progress has been made on potential street closures on 110th Avenue with regard to the HEI property. Mr. Lewis said those are examples of temporary road closures that would contribute to cost savings.

Mr. Berg noted that the City will be involved in decisions about road closures and in coordinating traffic flow.

Responding to Councilmember Davidson, Mr. Berg confirmed that it is difficult and, in some instances impossible, to use low-impact development practices in a wetland.

Deputy Mayor Robertson said she is pleased to see these opportunities for potential cost savings. She asked when more accurate estimates of cost savings will be available. Mr. Berg said those items will need to be refined by the time the design gets closer to 60 percent. However, that will not occur until late 2013 or early 2014.

Dr. Davidson said he does not understand the logic of deciding on cost saving measures for the alignment now, when a more accurate cost estimate will not be available for another year. Mr. Berg said the team has spent considerable time on engineering and cost estimating to be able to gradually refine the estimates as work progresses. He said the project team is working with the best information available.

Councilmember Wallace said it appears that the allocated contingencies are not included in the cost saving estimates. He recalled that the project contingency is roughly 28 percent. Mr. Lewis confirmed that the construction costs presented tonight do not include those contingencies.

Councilmember Wallace said there is a table/exhibit in the MOU with a detailed statement of the City's \$160 million contribution to the Downtown tunnel. Before making a decision on the cost saving measures, Mr. Wallace would like to be able to compare how each line item is affected by different cost estimates. For example, how does any given cost savings measure alter the detailed table in the MOU. Mr. Wallace said the cost estimates need to get to a better level of sophistication.

Councilmember Chelminiak observed that the original cost estimates included contingencies. Responding to Mr. Chelminiak, Mr. Lewis said the estimated cost savings for each idea under consideration reflects the savings in construction costs only. Mr. Chelminiak said it is difficult to make decisions based on the estimates for cost savings only. He said it is also important to maintain service levels, and some of the cost savings measures potentially lower the service level.

Mayor Lee said it is difficult to know how to move forward. He suggested that perhaps Sound Transit could do a separate analysis/report to address these questions. Mr. Lewis said that Sound Transit staff can be available to meet individually to provide some additional information.

Mr. Lewis clarified that Sound Transit is not looking for cost savings at the expense of the operational functionality of the light rail system. He noted that some of the cost savings measures achieve enhanced operations and many involve tradeoffs. One example of an item that continues to be in flux is the extent of the elevated guideway on Bellevue Way.

Dr. Davidson recalled that Sound Transit previously established a cost savings goal of \$160 million in order to provide a Downtown tunnel. However, Sound Transit cannot tell the Council how much things are actually going to cost. Dr. Davidson said he does not follow that logic.

Councilmember Stokes observed that there are two separate issues. The \$160 million was identified in the MOU. He said he would like to hear the rest of the presentation. Responding to Mr. Stokes, Mr. Lewis confirmed that the Council is not being asked to make any decisions tonight. The purpose is to provide an update on the technical findings.

Mayor Lee observed that what Dr. Davidson asks was relevant a year or more ago, before the Council agreed to the collaborative design effort. However, he believes the process is on the right track and that we need to look forward to what cost savings can be achieved.

Moving on, Mr. Lewis described the cost saving idea to shift Bellevue Way to the west and to add a southbound HOV lane (Option 1a). There would continue to be two general purpose lanes in each direction. Mr. Lewis explained that this option eliminates the trench and retains the Winters House in its current location.

Mr. Lewis described the retaining wall along the west side of Bellevue Way, which extends to 35 feet high at its highest point. This option provides \$7 million to \$11 million in cost savings, based upon the City providing \$11 million of funding for the HOV lane. Mr. Lewis said that noise impacts can be mitigated, and most properties to be impacted already exceed the noise thresholds used by Sound Transit. He said there will be slight noise increases.

Mr. Lewis said this option reduces the length of the elevated guideway, and moves the driveway for the Blueberry Farm and Winters House to the south. He noted that the cost of building the HOV lane as a separate project is \$18 million to \$20 million, so this option achieves savings for both the HOV lane and light rail projects.

Responding to Councilmember Chelminiak, Mr. Berg confirmed that the cost saving idea could be implemented without the HOV lane.

Responding to Mayor Lee, Mr. Berg said staff has not conducted an analysis of the cost savings of this option without the HOV lane.

Responding to Councilmember Balducci, Mr. Lewis said that Sound Transit has not developed a cost of estimate of shifting Bellevue Way to the west without adding the HOV lane.

Responding to Ms. Balducci, Mr. Berg said that building light rail and maintaining four lanes of traffic, without the HOV lane, expands the roadway slightly to the west beginning near the existing blueberry farm/produce market and continuing north on Bellevue Way.

Responding to Deputy Mayor Robertson, Mr. Lewis confirmed that Sound Transit's existing alignment has a HOV lane south of the South Bellevue Park and Ride. Without adding the HOV lane north of the Park and Ride, Mr. Lewis confirmed that there would be lane closures on

Bellevue Way during construction. Ms. Robertson recalled that the EIS indicated that one lane would be closed for the duration of construction, and often two lanes would be closed. Mr. Berg said that adding the HOV lane before light rail construction does benefit the function of the roadway during construction.

Responding to Councilmember Chelminiak, Mr. Lewis said Sound Transit has not yet developed a specific phasing plan for project construction. Councilmember Chelminiak suggested that adding the HOV lane extends, and possibly doubles, the construction period for that section of Bellevue Way. Mr. Berg confirmed that there would be consecutive projects for quite some time.

Mr. Chelminiak said the phasing plan is critical. He believes there is a need to analyze this more fully before determining the value of the HOV lane within the broader context of construction impacts. Mr. Berg acknowledged that building the retaining wall will take time as well.

Councilmember Stokes stated his understanding that the purpose of the HOV lane is to add capacity, both during and after construction. He noted that the retaining wall will be necessary if Bellevue Way is shifted to the west, with or without the HOV lane. He acknowledged that it would increase the complexity of the project.

Mr. Wallace reiterated his request for better detail on the noise impacts and how they will be mitigated according to Bellevue's noise ordinance. Secondly, he would like better graphic designs of the project that depict existing development along the alignment.

Continuing, Mr. Berg described the cost saving idea for 112th Avenue SE, which places the rail line underneath a raised roadway (Option 2b). The height of the raised roadway is lower than the currently planned elevated rail line. Mr. Berg said this alternative has received relatively strong support.

Mr. Berg described the option of creating a new neighborhood access via Bellefield Residential Park, which has a potential savings of \$7 million to \$13 million. He described additional graphics, noting the potential for U-turns on 112th Avenue to improve circulation.

Mr. Berg said that traffic volumes into Surrey Downs from 112th Avenue SE are approximately 800 vehicles per day. This access could be restricted or provided from SE 4th Street or SE 15th Street. Mr. Berg said that noise impacts can be reduced and mitigated. An at-grade light rail train option at SE 4th Street, which eliminates the trench, saves potentially \$7 million to \$16 million.

Dr. Davidson said he does not see any reason for the East Main Station. He suggested that it could be added in the future if needed, for example, to serve transit oriented development. Mr. Berg said that eliminating the station would reduce costs. However, that cost savings would not contribute to the City's cost savings effort with Sound Transit. Mr. Berg noted that a signalized pedestrian crossing is envisioned to cross 112th Avenue at the East Main Station.

Dr. Davidson asked whether the only cost savings to be explored are those specified in the MOU. Mr. Berg reiterated that eliminating a station would not be attributed to reducing the City's \$60 million contingent contribution.

Mayor Lee said it would still be reasonable to say that there are other ways to reduce costs.

Mr. Lewis said Sound Transit has identified cost savings across the board, including materials costs. However, eliminating the station would be a scope change, and the MOU speaks pretty clearly on that point.

Councilmember Balducci recalled that, when Sound Transit's revenues decreased by 25 percent a couple of years ago, a number of projects were trimmed back significantly. She said the Sound Transit Board received a presentation the previous week which indicates that revenues are short by another five percent. She commented that there will likely continue to be tradeoffs.

Responding to Ms. Balducci, Mr. Lewis said the drop-in sessions this week will provide a profile showing the elevation of the guideway. With regard to options involving grade changes, he said it is more comfortable for the rider to have a more level alignment, versus dipping into the trench in front of the Winters House, for example. Mr. Balducci said it would be helpful to be able to see all aspects of the options including pedestrian access and safety issues.

Councilmember Chelminiak noted the environmental assessment and questioned the handling of the seven or eight homes that the City Council has identified as full, rather than partial, takings. Mr. Berg said he believes those are still listed as partial takings but he will check. Mr. Chelminiak questioned whether creating neighborhood access through Bellefield Residential Park would result in residential takings.

Councilmember Wallace spoke to the benefits of a lower elevated structure and an improved transition at Main Street. He reiterated his question about how these options can be mitigated in order to comply with Bellevue's noise ordinance. He said he felt comfortable supporting the original trench option due to concerns about noise. However, he is concerned that noise will increase with the elevated roadway.

Dr. Davidson asked about noise caused by separate segments of track. Mr. Lewis said Sound Transit's rail is welded for continuous track. He described other techniques used to reduce or eliminate light rail noise.

Councilmember Chelminiak stated his understanding that road noise does not fall into the City's noise ordinance. He suspects there could be more noise impacts associated with the elevated roadway than the elevated rail. He would like to keep everything under consideration at this point, and would like answers to the Council's questions.

Moving on, Mr. Lewis described alternative concepts for the Downtown. The Optimized Adopted project includes a station under 110th Avenue NE with two entrances on the west side of the street (Option 3e). The potential cost savings is \$6 million to \$10 million. The second

concept is the Stacked Tunnel (Option 3b), which could reduce excavation requirements. There are two station entrances, one on the east side of 110th Avenue at NE 4th Street and the other on the west side off 110th Avenue at NE 6th Street, across from the Transit Center. The estimated cost savings is \$8 million to \$13 million.

Mayor Lee said it is important to have adequate access for everybody working and moving around the affected intersections. Mr. Lewis acknowledged that details about access will need to be refined. He explained that the adopted Downtown Station design has a mezzanine, which allows access to the station from all directions.

The third Downtown option is to relocate the station to NE 6th Street as a surface station between City Hall and Meydenbauer Center, for a potential cost savings of \$23 million to \$39 million. Mr. Berg said it does slow the train down to make the turn from 110th Avenue. He noted that the diagram assumes a standard station design and not the signature station the Council discussed back in June.

Staff responded to questions of clarification regarding the NE 6th Street station.

Responding to Councilmember Balducci, Mr. Berg said that all of the tunnel options impact the City Hall parking garage.

Councilmember Chelminiak expressed concern that the NE 6th Street station would adversely affect the functionality of the system and that it would cause noise and vibration impacts to adjacent buildings. In addition, this option eliminates 188 parking spaces from the City Hall garage, which will have to be replaced at a cost to the City.

Mr. Chelminiak said he likes where the design is going with the Optimized Adopted station. He likes the station entrances at NE 4th Street and at NE 6th Street (Transit Center). He agreed with the Mayor's earlier comment that optimized tunnel access is key to achieving ridership.

Councilmember Wallace noted that the City's \$100 million obligation in the MOU requires the City to pay for replacement parking. If the replacement cost increases, that financial obligation for the City needs to be considered. Mr. Berg said the cost savings of the NE 6th Street Station does take additional parking costs, as well as right-of-way costs, into consideration.

Mr. Wallace observed that cost savings in the Downtown means the project is not saving money at the expense of residents in the single-family neighborhoods to the south. Referring to Mr. Chelminiak's earlier comment, Mr. Wallace said that, while vehicle noise is exempt from the noise ordinance, arterial improvements are not. If arterial improvements are completed in a residential area, a noise analysis and mitigation must occur.

Councilmember Stokes said he believes the design process is moving in the right direction. The NE 6th Street station has the potential for saving money, enhancing the station, and increasing ridership.

Mayor Lee said it would be helpful to know how the NE 6th Street station might affect the Metro site next to City Hall.

Mr. Berg reminded the Council of the next steps. Drop-in sessions are scheduled for this week. The findings will go to the Sound Transit Capital Committee on October 11 and to the Sound Transit Board on October 25. The City Council will address the options again on October 15.

Mr. Berg said that environmental review on the cost savings ideas is slated for the first quarter of 2013.

Councilmember Davidson requested information on the expansion joints for light rail on I-90.

At 8:04 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

October 1, 2012
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:12 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present. Councilmember Balducci led the flag salute.

3. Communications: Written and Oral

- (a) Steve Kasner, speaking as an individual and longtime friend of Eastgate Park, recalled his past support of that park and development of the South Bellevue Community Center. He noted Cheryl Kuhn's recent retirement and praised her work over the years, including her involvement with annexations. Mr. Kasner thanked the City Manager and staff for continuing to work so hard on the ongoing development of our City in a Park.
- (b) Sam Bellomio suggested turning up the volume on public meetings, which he said are difficult to hear when listened to online. He said he is still requesting the cost of the four-year investigation involving Mr. Zimmerman. He asked the Mayor to look into how much that investigation cost. Mr. Bellomio reiterated his ongoing opposition to red light cameras and to fining people for minor mistakes. He expressed concern that 40 percent of the revenue goes to the camera vendor and another portion goes to King County. He said the use of red light cameras has not affected the number of traffic accidents.
- (c) Alex Zimmerman reiterated his ongoing request for the cost of a Police investigation. He estimates the cost at \$50,000. He referred to past class action lawsuits he has initiated and to 27 traffic tickets he has received in Bellevue. He said he has complained to the Police Department and the City's prosecutor about the Police Department's actions. He said he will continue to come to Council meetings.

- (d) Christie Hammond said she is a former member of the Surrey Downs East Link Committee and the Surrey Downs Community Club Board of Directors. She was involved in the Light Rail Best Practices effort in 2008, which resulted in the addition of new transportation policies to the Comprehensive Plan. The goal of the report was to study best practices to guide the development of light rail in Bellevue. She noted guiding principles related to the project's consistency with community character and to public involvement in the light rail planning process. She submitted her comments in writing and asked the Council to consider the guidelines she has highlighted in her letter.
 - (e) Betsy Blackstock, a Surrey Downs resident, recalled the extensive work of the Light Rail Best Practices Committee. She shared her concerns about the cost of the light rail project, neighborhood and environmental impacts, and the effectiveness of mitigation. She urged Councilmembers to make sure that their questions are addressed by City staff and/or Sound Transit. Ms. Blackstock said the issue of getting light rail across the I-90 bridge must be resolved before turning any dirt in Bellevue. She submitted her comments in writing and thanked everyone on the Council for their hard work.
 - (f) Wendy Jones, representing the Enatai Neighborhood Association Board, reported on a Sound Transit meeting with residents. She said there are some differences in what was presented to the group versus what was discussed tonight during the earlier Study Session tonight. She expressed concern about the negative impacts of light rail, including its proximity to homes. Ms. Jones urged the Council to carefully consider all of the details of the cost saving measures before supporting them.
- 4. Reports of Community Council, Boards and Commissions: None.
 - 5. Report of the City Manager: None.
 - 6. Council Business and New Initiatives

Councilmember Chelminiak reported that he attended meetings of the Bellevue Convention Center Authority (BCCA) Board, Trade Development Alliance Board, and the State Building Code Council. He attended an event sponsored by the Trust for Public Lands.

Mr. Chelminiak said he attended a meeting of the Economic Alliance of Snohomish County, which discussed the Growing Transit Communities Partnership. A subcommittee of that group is looking at value capture financing. Mr. Chelminiak said this mechanism could be of benefit for providing housing in the Bel-Red corridor and other areas.

Responding to Mayor Lee, Mr. Chelminiak said that Visit Bellevue Washington is redesigning its web site and expanding its events calendar. He noted that the group is requesting funding assistance from the City for its next budget.

Councilmember Davidson attended meetings of the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC), Cascade Water Alliance, and the Puget Sound Salmon

Recovery Council. He attended the Bellevue Youth Theatre's fundraising event and the kickoff of the Rotary's Downtown Park project.

Deputy Mayor Robertson attended meetings of the Planning Commission, which is working to finalize the Shoreline Management Program Update by November, and the Puget Sound Regional Council (PSRC) Growth Management Policy Board. With Councilmembers Stokes and Wallace, she attended meetings related to the East Link Memorandum of Understanding (MOU). Ms. Robertson said that she and Mayor Lee toured Lake Sammamish with the Washington Sensible Shorelines Association.

Deputy Mayor Robertson noted comments during oral communications earlier in the meeting about the Light Rail Best Practices Committee and study. She believes it is important to keep the guiding principles of that work in mind as the Council is reviewing the cost savings options. She said it is also important that staff continue to look at those best practices as they work through the Land Use Code changes related to light rail. Ms. Robertson recalled that the Committee discussed having a robust citizen involvement effort related to station design, which she believes is important as well.

Councilmember Balducci attended the Large Jail Network Conference. She attended meetings of the Sound Transit Board and the PSRC Transportation Policy Board. She suggested that the Council update its State Legislative Policy Statement and Agenda soon.

Councilmember Stokes reported that he represented the City at a Hopelink event and at a Leadership Eastside annual event. He had lunch with residents of Pacific Regent retirement community in Downtown Bellevue near Ashwood Park. Mr. Stokes traveled with the Bellevue Downtown Association to Denver to tour public facilities and to learn about Denver's redevelopment and growth.

Councilmember Wallace said that he and Mayor Lee attended the Transit Master Planning joint meeting of Bellevue's Boards and Commissions. He commended Transportation Department staff for doing a great job in organizing that forum. He noted that he attended the East Link MOU Leadership Group meeting.

Mayor Lee attended the Bellevue Youth Theatre fashion show and fundraiser and the kickoff event for the Rotary project in Downtown Park. He participated in the State Auditor's exit interview with City staff and attended the Naturalization Ceremony held in Bellevue City Hall. He attended the Kin On Auction Gala [Kin On is an organization that supports the Asian elderly community of the greater Seattle area] and the Assistance League's back-to-school clothing event at Fred Meyer in Bellevue.

7. Approval of the Agenda

- Deputy Mayor Robertson moved to approve the agenda, and Councilmember Chelminiak seconded the motion.
- The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

→ Deputy Mayor Robertson moved to approve the Consent Calendar, and Councilmember Chelminiak seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

- (a) Minutes of July 30, 2012 Council Budget Workshop
Minutes of September 4, 2012 Study Session
Minutes of September 4, 2012 Regular Session

- (b) On-Call Graffiti Removal Services

Resolution No. 8453 authorizing execution of a four-year General Services Agreement with Graffiti Busters, for on-call Graffiti Removal Services; and,

Resolution No. 8454 authorizing execution of a four-year General Services Agreement with CleanScapes Inc., for on-call Graffiti Removal Services.

- (c) Resolution No. 8455 authorizing execution of a three-year professional services contract with Public Safety Testing, Inc., in an amount not to exceed \$69,000, to perform entry-level firefighter recruit testing.
- (d) Resolution No. 8456 authorizing the City Manager or his designee to take all actions necessary to wind down operations of Fire District 14, which was annexed in its entirety as a result of recent South Bellevue Annexations.
- (e) Resolution No. 8457 authorizing execution of an amendment to the Professional Services Agreement with Graham & Dunn, PC, to increase the total contract amount from \$565,000 to \$635,000, for legal services in the lawsuit of Weinstains & Newport Yacht Club v. City of Bellevue, USDC No. C09-0589-MJP/Ninth Circuit Court of Appeals No. 12-35388.

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

- (a) Ordinance No. 6076 amending Chapter 14.30, Section 14.30.185 of the Bellevue City Code to address the relocation of facilities for City or other public projects in the right-of-way.

City Manager Steve Sarkozy noted that Ordinance No. 6076 addresses the relocation of facilities for City or other public projects in the right-of-way. He recalled that the Council was previously briefed on this item. This proposed amendment to the City Code ensures that public agencies and taxpayers do not bear the cost of relocating private facilities when they are in the public right-of-way (ROW). Mr. Sarkozy recalled that the Council had expressed concerns about potential impacts to Puget Sound Energy. City staff met with PSE staff to resolve their questions and made some revisions to the ordinance.

Transportation Director Dave Berg commented on the meeting with PSE. He said staff clarified that the ordinance amends the ROW Use Code but not the Franchise Code.

→ Deputy Mayor Robertson moved to adopt Ordinance No. 6076, and Councilmember Stokes seconded the motion.

Mr. Berg responded to questions of clarification.

Responding to Councilmember Chelminiak, Mr. Berg confirmed that the provisions will lower the costs of public projects.

→ The motion to adopt Ordinance No. 6076 carried by a vote of 7-0.

Mayor Lee reiterated Councilmember Balducci's suggestion that the Council update its legislative agendas and policy statements. Mr. Sarkozy indicated that staff would schedule that topic for October 22. Ms. Balducci asked staff to provide the previous statements.

Councilmember Stokes thanked staff for all they do to coordinate Council calendars and business.

12. Unfinished Business

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:21 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

October 8, 2012
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Chelminiak, Davidson, Stokes, and Wallace

ABSENT: Councilmember Balducci

1. Executive Session

Deputy Mayor Robertson called the meeting to order at 6:01 p.m. and declared recess to Executive Session for approximately 20 minutes to discuss two items of potential litigation.

The meeting resumed at 6:25 p.m., with Mayor Lee presiding.

2. Oral Communications

- (a) Doug Hoople, Chairman of the King County Veterans Levy Oversight Board, noted the program description and 2011 Levy Annual Report distributed to the Council. He described services provided by the program including career assessment and coaching, mental health treatment and counseling, family counseling, mobile medical services, and capital investments in housing for veterans. Mr. Hoople said that he spoke to the Human Services Commission last week. He encouraged the Council and the public to support renewal of the levy.
- (b) Sam Bellomio, Stand Up America, said he has been coming to speak to the Council about red light cameras for many weeks, but has not heard anything back from anyone. He objects to the cameras and to the revenue that is distributed to the vendor and King County. Mr. Bellomio asked the Council to engage in a dialogue with him about red light cameras. He said there has been no reduction in accidents.
- (c) Alex Zimmerman, Stand Up America, said he has been requesting the cost of a Police investigation for weeks now. He said he received a similar response in 1998 with his class action lawsuit. He has been talking to the Council since May, and no one has provided the cost of the investigation. He asked the Mayor to look into this matter.

- (d) Lincoln Vander Veen, Bellevue Chamber of Commerce, noted the Chamber's letter to the Council and commented on the East Link light rail project. The Chamber supports Cost Saving Option 1a, shifting Bellevue Way to the west in front of the Winters House and adding a southbound HOV lane, the latter of which is the Chamber's top priority. The Chamber believes the lane will help mitigate traffic during and after light rail construction. The Chamber supports Option 3c relocating the Downtown Station to NE 6th Street and believes it is important to retain the capacity of downtown surface streets. The NE 6th Street station mitigates construction impacts and provides connectivity between buses and light rail. With regard to the light rail trench under SE 4th Street, the Chamber believes that this option is more visually appealing and beneficial to traffic flow than other options.
- (e) Renay Bennett, speaking on behalf of Building a Better Bellevue, referred to the proposed Transit Overlay District Land Use Code Amendment, which she said is a very complicated document that came out on Friday afternoon. She observed that the document allows Sound Transit to apply for permits for property that it does not own, and that it exempts Sound Transit from the existing essential public facilities permit process and siting criteria. She commented on additional concerns including landscaping requirements and environmental protections. Ms. Bennett submitted a letter addressing these and additional concerns with the proposed Overlay District.
- (f) Debra Grant, representing Hopelink, thanked the Council for its financial support of human services within the community. She encouraged the Council to support the Human Services Commission's recommendations to be presented this evening.
- (g) Jeff Bradt, Executive Director of Elder and Adult Day Services, thanked the Human Services Commission, City Council, City staff, and Bellevue residents for their support of human services organizations. He noted that most of the agency's clients have problems that cannot be fixed (i.e., health issues, disabilities), but they appreciate the services and assistance they receive.
- (h) Bill Popp, an Enatai resident, expressed concern that the East Link cost saving measures will increase visual, noise and environmental impacts. He said that Seattle's light rail line runs primarily in tunnels. He noted that the NE 6th Street station option has the potential for saving \$23 million to \$39 million. He suggested consideration of a center-loading platform and better direct access to the Transit Center. Mr. Popp said he is waiting on input from the City's Transportation Department staff on their modeling.

Mayor Lee suggested that Mr. Popp provide his comments in writing to the Council.

Councilmember Chelminiak recalled Mr. Popp's past comments that adding a general purpose lane on Bellevue Way would be better than adding the proposed HOV lane. He asked Mr. Popp to provide his reasoning on that point.

- (i) Joe Rosmann noted the complex document distributed to the Council and the public on Friday regarding the proposed Transit Overlay District Land Use Code Amendment. He is concerned that citizens and the Council are being asked to make decisions too quickly. He encouraged the Council to use the expertise of the Planning Commission and Transportation Commission in reviewing these issues. He recalled that the City previously entered into a temporary use permit process for the light rail station staging area in the Downtown. That permit was developed through extensive collaboration between property owners, City staff, and Sound Transit. Mr. Rosmann observed that the Overlay process does not provide the same opportunity for the involvement of property owners, homeowners and communities.

3. Study Session

(a) Council Business and New Initiatives

Mayor Lee wished a Happy Birthday to Deputy Mayor Robertson and Councilmember Wallace.

Councilmember Davidson said he was a little disappointed that the City Manager was not present, especially given some of the topics on the evening's agenda.

Dr. Davidson said that former Mayor Nan Campbell suggested going back to read exactly what was approved by the voters for Sound Transit Phase 2. He reviewed the East Link Memorandum of Understanding (MOU) over the weekend, and he believes that some of the language is open to interpretation. He is disappointed that the MOU does not provide the flexibility he had hoped to see for the City.

Deputy City Manager Brad Miyake said staff will provide information on the voter-approved Sound Transit Phase 2 package.

Councilmember Chelminiak reported that former Mayor Grant Degginger was appointed to the Washington State Public Disclosure Commission.

Councilmember Wallace asked for an update on red light cameras. He recalled that the last Council discussion on the use of cameras resulted in direction to staff to not expand their use after the current contract expires in 2014. He has been told that staff has responded to Mr. Bellomio and Mr. Zimmerman, and he would like more information on that. With regard to their request for the cost of the Police investigation, Mr. Wallace noted that the City does not track every expenditure for each specific incident or case.

Mayor Lee said it would be good to be able to resolve these requests publicly.

Councilmember Chelminiak recalled that it was late April or early May of 2011 when the red light camera issue last came before the Council. He noted that he and the Deputy Mayor have requested information on the revenues generated by the program.

(b) Presentation of Preliminary Budget Document

Deputy City Manager Brad Miyake said the Preliminary Budget document has been distributed to the Council tonight. However, the official kickoff of budget discussions is scheduled for next week, and the City Manager will be present. Budget adoption is anticipated on December 3. The Preliminary Budget document has been posted to the City's web site for public access.

(c) Human Services Commission's Recommendations for 2013-2014 Human Services Fund and 2013 Community Development Block Grant (CDBG) Funding

Mr. Miyake opened discussion regarding the Human Services Commission's funding recommendations.

Terry Smith, Assistant Director of Parks and Community Services, welcomed the Human Services Commission members in the audience.

Joseph Adriano, Human Services Grant Coordinator, began the presentation. He described how federal grant funding has been declining since 2003, while requests for funding to the Human Services Commission have increased. Mr. Adriano said the Commission appreciates the Council's funding formula of Base + Inflation Adjustment + Population Increase. The formula adds \$99,593 to the Fund for 2013-2014, and the recent annexation provides an additional \$129,000.

Mr. Adriano highlighted key findings of the Needs Update, which was presented to the Council in February 2012. The number of homeless students in the Bellevue School District more than doubled from the 2007-2008 school year to the 2011-2012 school year. Additional key issues are the lack of affordable housing, unemployment, increasing demand for free or reduced school lunches and food stamps, and increasing demands related to the disabled of all ages and for the elderly.

Emily Leslie, Human Services Manager, noted the web link to the 2011-2012 Human Services Needs Update (www.bellevuewa.gov/humanservices_needs_update.htm). She highlighted Attachment B [Page 3-35 of the meeting packet], which lists the 2013 Community Development Block Grant (CDBG) final recommendations. Attachment C is the CDBG Allocation Contingency Plan, and Attachment D lists the criteria used by the Human Services Commission to review all of the applications.

Ms. Leslie explained that the Commission used the 2011-2012 Needs Update in its review of the funding applications. The Commission completed its funding recommendations at the end of July, to coincide with the time at which the Budget Results Teams were completing their Round 2 rankings. The budget proposal for human services contracts with nonprofit agencies was ranked #1 in the outcome area of Innovative, Vibrant and Caring Community.

John Bruels, Chair of the Human Services Commission, said the Commission reaffirmed the City's policy of supporting a full spectrum of community needs, which are summarized in the

City's Comprehensive Plan. The Commission's primary focus areas for 2013-2014 are prevention and intervention programs serving residents most affected by the continuing impact of the economic recession.

Mr. Bruels said that currently funded programs that have been meeting their contract goals and are providing critical services have been recommended for continued funding. The Commission is recommending award levels above inflation increases for 35 ongoing programs which fall into the following categories: 1) Programs to help the homeless or those at risk of becoming homeless and/or those who are experiencing difficulties related to the recession, including those in domestic violence situations, 2) Programs to strengthen and support families including case management and health services, and 3) Employment-related services.

The Human Services Commission recommends funding for three programs not previously funded: 1) Congregations for the Homeless Drop-in Center for homeless men, 2) Imagine Housing (formerly St. Andrews Housing Group) Francis Village apartment project in Kirkland, and 3) Sound Mental Health's Safe and Sound Visitation Center.

Mr. Bruels thanked the Council for recognizing the need to respond to the impacts of the economic recession, build the human services infrastructure, and preserve the community safety net.

Mayor Lee thanked Commission members for their work and asked those present in the audience to introduce themselves (Stefanie Beighle, Jan Stout, and Michael Yantis).

Councilmember Wallace said he just completed his first year as Council liaison to the Human Services Commission. He noted the extensive reading and review by the Commission. He commended the Human Services Needs Update and said that it is available on the City's web site. Mr. Wallace expressed appreciation for past Councilmembers, Commissioners, and City staff for the ongoing work in this area.

Responding to Councilmember Davidson, Ms. Leslie said the King County Veterans and Human Services Levy funds were distributed through a competitive process. There is both a Veterans Oversight Committee and a Human Services Oversight Committee to develop procurement plans for defined strategies.

Dr. Davidson requested information on how much Bellevue citizens are contributing to the Veterans and Human Services Levy funding.

Councilmember Stokes thanked Commission members for their work and expressed support for the funding formula and for the specific recommendations in response to the most critical needs within the community. He commented on the positive collective impact of funding a number of organizations.

Deputy Mayor Robertson thanked the Human Services Commission for their commitment of time and energy in reviewing the applications and formulating the recommendations. She

questioned how much the City spends on human services as a percentage of its overall budget. She hopes the Council will continue to prioritize this funding over time. She recalled that, despite significant budget constraints, the Council added recession impact funding during the last budget cycle because it recognized the need and demand for services. She encouraged contributing to organizations with lower overhead costs and the highest impact in term of direct services and assistance to individuals.

Referring to Councilmember Chelminiak, Mr. Adriano said the Commission felt that the amount requested by Food Lifeline was relatively small for a large organization, and that it would not have the same impact as it would for another program. Mr. Bruels said the Commission determined that the request from St. Vincent de Paul provided somewhat duplicative services as other organizations that were being funded.

Councilmember Chelminiak expressed strong support for the King County Veterans Levy. He thanked the Human Services Commission for their hard work.

Mayor Lee asked staff to comment on the most critical and/or emerging needs.

Mr. Smith noted the increasing homeless population and the need for shelters. Mr. Leslie said the bulk of the funding goes to food, housing, education (including child care to allow individuals to pursue education), job skills, and steps toward leading an independent life.

Mr. Smith referred to Councilmember Stokes' earlier comment about collective impact and noted the collaborative efforts of the Eastside Pathways program.

Mr. Bruels commented on the importance of preserving human services infrastructure despite funding constraints. Otherwise there is the risk that certain organizations and/or services will cease to exist.

Mayor Lee asked about demographic changes. Mr. Smith said the Commission and City staff work closely with other City staff who track demographic data and with the Bellevue School District and their programs. One notable change is the increasing elder population. Mayor Lee expressed support for Eastside Pathways.

(d) Management Brief providing Update on Regulation of Medical Marijuana Collective Gardens

Mr. Miyake introduced discussion regarding proposed regulations related to medical marijuana collective gardens.

Carol Helland, Land Use Director, referred to page 3-41 of meeting packet for a management brief on the regulation of medical marijuana collective gardens. She recalled that the Council adopted interim zoning control on May 7 with Ordinance No. 6058, which expires on November 7. With Initiative 502 that would decriminalize marijuana coming up in the fall election, staff

recommends extending Ordinance No. 6058 until the outcome of that ballot measure. The City of Kent recently received a summary judgment on relevant litigation as well.

Catherine Drews, Legal Planner, explained that the City of Kent passed an ordinance in June prohibiting collective gardens. In response, the Cannabis Coalition Action group and separate individuals sued the city, alleging that the ban was unlawful and violated their constitutional rights as medical marijuana patients. The Court approved the City of Kent's zoning authority and right to ban collective gardens and dismissed the plaintiffs' actions. Ms. Drews said a public hearing is tentatively scheduled for October 22, if the Council chooses to extend the interim zoning ordinance for an additional six months.

Deputy Mayor Robertson noted that the Kent decision was in Superior Court and, while instructive, is not binding. Responding to Ms. Robertson, Ms. Helland said staff will keep the Council abreast of relevant litigation.

Dr. Davidson said he has been reading with interest the newspapers about medical marijuana dispensaries. He believes that marijuana should be regulated like other drugs, and he is opposed to legalizing marijuana until more is known.

Deputy Mayor Robertson reported that she attended a training session on marijuana law, and she brought back a binder of related information for the Council office.

At 7:53 p.m., Mayor Lee declared a short break.

The meeting resumed at 8:05 p.m.

- (e) Review Draft Land Use Code Amendment Language to Create a Light Rail Overlay to Govern Permitting for the East Link Light Rail Project

Mr. Miyake said the objective of tonight's agenda item is to continue staff's presentation of information on the proposed Land Use Code Amendment to create a Light Rail Overlay. He asked that staff be able to get through the full presentation before responding to questions. There is a logical sequence to the presentation that may answer questions before it is concluded.

Mayor Lee confirmed that it would be a good idea to let staff go through presentation first.

Councilmember Davidson recalled that he previously commented that he had not received responses to his questions. He wanted to go on the record stating that he has received those answers, except for one issue regarding a potential supplemental environmental impact statement (EIS).

Mike Brennan, Director of the Development Services Department (DSD), said that staff's responses to questions posed on September 17 are provided in the meeting packet beginning on page 3-45. The discussion that evening was about the framework for creating an Overlay District. The purpose of this evening's presentation is to talk about the draft Land Use Code

Amendment content. In addition to questions from September 17, the meeting packet also includes a matrix that addresses the gaps in current regulations that do not clearly address light rail. Mr. Brennan said staff was not seeking Council direction at that time. A Public Hearing on the Light Rail Overlay is scheduled for October 22.

Kate Berens, Deputy City Attorney, recalled that the City conducted the Light Rail Best Practices Committee process as a first step in this work. The committee included citizens and members of the Planning Commission, and City Councilmembers were liaisons to that committee.

The East Link Memorandum of Understanding (MOU) was established with Sound Transit to initiate the collaborative design process. The plan for this work was presented to the Council in January to guide the work that has been occurring since that time. Previous Council study sessions on July 16 and September 17 introduced concepts leading to the development of the Overlay District. She recapped public outreach to date including the publication of formal meeting notices and public hearing notices. Notice of the October 22 public hearing was published on October 4, and three drop-in sessions have been held in October to discuss the cost savings ideas that are being studied by the collaborative design group. Information regarding the proposed Overlay District has been published on the City's main East Link web page.

Ms. Berens recalled that the Land Use Code Amendment responds to the City's commitment to the East Link light rail project under the MOU. The light rail project is an essential public facility (EPF) which the City cannot prohibit or impose conditions that would make it impractical or not feasible to implement the light rail facility.

Ms. Berens clarified that the draft Land Use Code Amendment (LUCA) is not a rezone of any properties in the City.

Dr. Davidson stated that the overlays for the Central Business District and the Critical Areas Ordinance essentially rezoned the use of certain properties. He observed that if regulations control the use of property, he considers that a rezone. He would like to understand the distinction.

Mayor Lee noted the agreement to hold questions until the end of the presentation.

Continuing, Mr. Berens said the proposed Overlay District does not approve the East Link project and does not include the large maintenance facility in the Overlake area. The City's standards are not relaxed under the overlay, and no technical codes (e.g., Building Code) are amended.

Ms. Berens described the potential TOD areas. She acknowledged concern within the community about the potential for transit-oriented development (TOD) related to the light rail project. The Council has stated that TOD would not be appropriate around the South Bellevue Park and Ride or in the residentially zoned portions associated with the East Main Station. She reassured the Council that there is nothing about the overlay process that changes that discussion.

Ms. Helland explained that development of the proposed Land Use Code Overlay involved a review of the Comprehensive Plan and the Light Rail Best Practices Report. Staff toured existing light rail facilities in other jurisdictions and examined the land use districts along Bellevue's alignment. The East Link facility passes through more than 20 land use districts with different levels of required review. Nearly half of the East Link project is in right-of-way where land use provisions typically do not apply.

Ms. Helland said the City's design review process is not currently required in all land use districts. She walked through a map of the light rail alignment to illustrate the difference between a number of segments. The Bel-Red corridor does provide design review standards. There are currently conditional use requirements along the entire alignment.

Ms. Helland referred the Council to page 3-79 of the meeting packet for Attachment B, Matrix of Land Use Code Provisions Applicable to Light Rail. She said staff went through every section of the Land Use Code to identify applicable provisions as they exist today and how they would apply under the current traditional conditional use permit (CUP) requirements. Major components of the Land Use Code Overlay address definitions, required permits, development standards, design guidelines, and administrative modification.

Ms. Berens described the two paths under the Overlay District approach, which is dependent on whether there is agreement between the City and Sound Transit on the light rail alignment. If there is agreement, the facility is a permitted use and the permit path is potentially the establishment of a development agreement and subsequent design and mitigation permits. If there is not agreement on the alignment, the project would go through the conditional use permit (CUP) process and the same subsequent design and mitigation permits.

Ms. Berens described the Development Agreement process which includes public notice of a State Environmental Policy Act (SEPA) review and a public hearing before the City Council. The Council would adopt the development agreement through a legislative action, and there is no option for an administrative appeal. However, approval of the development agreement could be appealed to Superior Court.

Ms. Berens described the two types of Conditional Use Permit (CUP) processes which involve notice of the application, a public meeting, and a public hearing before the Hearing Examiner. CUP Process I permits are decided by the Hearing Examiner and can be appealed to the City Council, and if desired, to Superior Court. With CUP III permits, the City Council makes the final decision and appeals are available through Superior Court.

Ms. Berens described the main features of a Process II design and mitigation permit. This involves notice of the application and an optional public meeting. There is no requirement for a public hearing and the Director of the Development Services Department is the decision maker. This administrative decision can be appealed to the Hearing Examiner and ultimately to Superior Court.

Ms. Helland referred the Council to pages 3-54 through 3-58 of the meeting packet for detailed code language on the two permit paths.

Ms. Helland described the difference between standards and guidelines. Development standards are rigid or quantitative requirements (i.e., dimensional requirements) and must be met in the absence of modification approval [See page 3-58 of packet]. The draft Overlay Land Use Code Amendment includes dimensional requirements, landscape development standards, and provisions for impact mitigation (e.g., fencing, light and glare, parking, waste collection, and critical areas).

Ms. Helland referred to page 3-61 of meeting packet for design guidelines. Guidelines are more flexible or qualitative. Each guideline could generate numerous solutions, and the City wants to encourage varied and imaginative designs. The draft Land Use Code Amendment includes guidance for station area planning and other light rail structures (e.g., traction power substations, ventilation structures, walls and barriers).

Mr. Brennan said the next step is a public hearing before the Council on October 22. Future Council Study Sessions will continue discussion and refinement of the amendments, and final action is anticipated in December. He referred the Council and the public to the City's web site - <http://www.bellevuewa.gov/light-rail-overlay.htm> - for more information on the light rail overlay.

Councilmember Davidson asked what happens when one Overlay District overlaps another Overlay District. Ms. Helland said that situation currently exists; for example, the Bel-Red Overlay overlaps the Critical Areas Overlay. Generally the most strict regulations apply.

Dr. Davidson questioned whether there was a biological assessment regarding fish. Ms. Berens said staff will check with Sound Transit. That would have been part of the agency's federal environmental review process.

Councilmember Wallace suggested that information that would be helpful to the public are a plan, schedule, and budget. He said it is difficult to think through the code amendment without first understanding the plan (i.e., alignment). For example, for the homes on 112th Avenue, the issue of whether the light rail line will be elevated or below street level is critical. Regarding schedule, Mr. Wallace said the City and the public need a better understanding of Sound Transit's schedule and how that coordinates with the City's schedule. This will help put the whole Land Use Code amendment into context.

With regard to the budget, Mr. Wallace noted the discussion about saving \$60 million, and the issue of whether that is to be saved in the Downtown or in neighborhoods. What kind of cost pressure are the City and Sound Transit under? How much money are the code provisions under the overlay process saving Sound Transit? Mr. Wallace noted Sound Transit's 30 percent contingencies and observed that project costs will be lower if permitting certainty is provided through the overlay, and potentially, a development agreement.

With regard to mitigation, Mr. Wallace believes the City needs to conduct its own study addressing noise, traffic, visual and other impacts. When the MOU was adopted, the Council also passed an ordinance directing the City Manager to do a couple of things. One was to develop a work plan about how to handle property takings along 112th Avenue, and that has not moved forward as far as he knows. The other item was for the City to do a better job of auditing Sound Transit's numbers. He believes that some work has been underway in this regard.

Mr. Wallace said that a graphic design/representation of the light rail line is essential in order for the Council and the public to accurately assess the project. He would like all project information, from all agencies, to be available on one web page on the City's web site. He believes there is a need to clarify the City's role and others' roles. He noted that staff has toured other segments of Sound Transit's light rail system. He suggested that photos and videos of existing light rail facilities and equipment would be helpful to the Council and the public.

Councilmember Stokes concurred and commented that Mr. Wallace's suggestions and requests highlight the need to consolidate all information and to make it easier to access for the public and the Council. He commented on his recent trip to Denver where he was able to observe light rail, heavy rail, and other facilities. Mr. Stokes noted the need to know what issues and Land Use Code amendments can be addressed now, and what the City can do to tie everything together.

Deputy Mayor Robertson said she took hundreds of photos of light rail systems that she visited. However, she agrees with the need for graphic representations of how light rail will look in Bellevue. She concurred with the suggestion for a comprehensive online library of all East Link information, including information on the proposed Land Use Code Amendment Overlay District. She suggested that it would be helpful to have links to the Land Use Code references within the electronic version of the overlay document and/or an appendix with the referenced Land Use Code sections.

Ms. Robertson said it is important to think about how to get through this process. Usually the Council stays at a higher level of review, and the Planning Commission does a more in-depth analysis of code amendments and their implications. In this case, the Council is in the role of conducting the in-depth study.

Ms. Robertson noted that the Council has a number of priorities to address before the end of the year, including the proposed East Link operations and maintenance facility, the East Link MOU cost savings analysis and decisions, and the City's Biennial Budget.

Ms. Robertson said she appreciates the general structure of the Overlay Land Use Code amendment. She would like to have a more detailed format including criteria and clear standards and conditions for approval. She noted that the decision criteria does not list the Light Rail Best Practices work with regard to consistency in the Land Use Code. The overlay does not list Noise Code compliance, avoidance alternatives, or construction impacts, to name a few items. She would like to see a more clear format.

Ms. Robertson said the goal is to create certainty for Sound Transit, which will keep project costs down and make things run more smoothly. However, she believes it is important that citizens have certainty as well.

Ms. Robertson recalled the history of the project including the Light Rail Best Practices Report and the Planning Commission's review and development of Land Use Code and Comprehensive Plan changes. She believes that part of that work was the Essential Public Facilities section. She said it would be good to be reminded of what was adopted then, including a great deal of Comprehensive Plan work. She would like to have this information in an appendix for use by the public and the Council.

Deputy Mayor Robertson said the City must comply with the state Growth Management Act as it adopts Land Use Code amendments, and it must also send draft regulations to the Department of Commerce with a 60-day lookback period. She noted that the current schedule is very aggressive and questioned whether the City has done this. Ms. Helland said yes, the City sent them the materials for the overlay packet the previous week.

Ms. Robertson said the City needs to be sure that whatever it adopts is consistent with the Comprehensive Plan. She questioned whether staff has conducted the analysis of Comprehensive Plan consistency.

Ms. Helland said staff has conducted the analysis on an ongoing basis. The analysis will be captured in a formal staff report that will come in the Council's next packet of materials in support of the public hearing on October 22. Ms. Helland said the Overlay Land Use Code amendment is intended to be consistent with the Comprehensive Plan and the Land Use Code.

Ms. Robertson said she would like more specificity on definitions. She observed that the amendment is not meant to include the operations and maintenance facility. However, the language says "including but not limited to." If the maintenance facility is not to be included, she believes the language should clearly exclude a maintenance facility.

Ms. Robertson said she is uncomfortable with the phrase referring to the general location of the system. She said the general location of the Downtown segment will be the same whether there is a tunnel or surface alignment, but they are very different things. She is also unsure of the meaning of immediate vicinity.

Ms. Helland said that language was lifted out of the existing criteria for a conditional use permit. In addition, staff embedded the decision criteria from the design review approval process to fix the gap and to apply the criteria for the entire length of the alignment. She referred to page 3-57 for the decision criteria the Council was hoping to see which requires consistency with the Comprehensive Plan, the Light Rail Overlay District, and best practices.

Ms. Robertson said she is still concerned about the term immediate vicinity because this project is not like other projects. She would like to explore that more. If individuals can hear the train, they are essentially in the immediate vicinity. Another concern is allowing for permit application

when the light rail transit facility does not have ownership or control of all the underlying property. She asked about this in the Mayor's Meeting, and the answer is they have condemnation authority, which the City has been doing with utilities, and she believes this is fair. However, a light rail train is not the same as a utility because a sliver property take for a light rail train potentially renders a home or business non-conforming. That does not happen with an underground utility because it is an easement. Also, light rail is a longer-term facility.

Ms. Robertson questioned what happens if Sound Transit applies for a permit for properties it does not own, and some of those homeowners want to apply for a permit to remodel their houses. Will they be allowed to if there is a permit pending for Sound Transit?

Ms. Robertson noted that, under CUP Process I or Process III, the Council's role would be quasi-judicial. She said the Council has talked about moving away from its quasi-judicial role to the extent legally possible. If the CUP process is followed and Council is not involved, she questioned whether the cases would go to Superior Court.

Ms. Helland said that Process I matters currently reach the Council only on appeal. Process III matters follow the same process used for rezones, and they become quasi-judicial at the point an application is received. In this case, the Hearing Examiner conducts a pre-decision hearing and the matter automatically goes to the Council.

Ms. Robertson reiterated her question about how the process would be affected if the Council eliminates its quasi-judicial role. Ms. Helland said the Council is required to address Process III matters which are rezones. Process I focuses on changes that the Council would want to make that could potentially remove Council as the appeal body after the Hearing Examiner makes a decision.

Ms. Robertson turned to development standards. She would like more specificity. With regard to setbacks, if they are narrowed it reduces the buffer and green space around this major facility. She would like to see a lot of green space along this facility. She wants to be sure that height limits are consistent and mitigated. Ms. Helland said the height limit issue applies to the South Bellevue Park and Ride and potentially the Hospital Station. Staff identified code conflicts based on the project description in the MOU that reflects height limits exceeding the underlying zoning at the South Bellevue Park and Ride.

Ms. Robertson observed that the design guidelines contain a lot of "shoulds," and she would like to see more "shall." She believes it is important to have more specific design guidelines along the entire route. She sees this as one of the more compelling reasons to do the overlay.

Ms. Robertson said a citizen advisory committees was recommended in the Light Rail Best Practices Report. She believes this is a good time to initiate that committee. She would like citizens to be engaged in designing the light rail stations. She described an example of citizen involvement in designing a station in the Portland area.

Mr. Brennan confirmed that station area planning and design is an opportunity for citizen engagement and influence over the end product.

Ms. Robertson referenced a statement about critical areas “requiring no technically feasible alternative showing.” She is concerned that this runs contrary to what has been done citywide.

Ms. Helland explained that the language would be removed if the Council has agreed to an alignment. It would be awkward to have the Council agree on the alignment and to then have staff in charge of the technical feasibility alternative make a different decision. The language provides deference in the code to the Council’s decision. Ms. Robertson said that, in the application process of gathering information for the development agreement, she does not want to lose the ability to consider that.

Ms. Robertson wants to ensure that environmental regulations are not loosened up compared to how other projects are treated. She wants to discourage sliver takings that would turn properties into non-conforming uses.

Ms. Robertson said there is recurring language in the overlay document about sharing street right-of-way. She observed that most of the light rail alignment does not share street right-of-way. She does not want to cede control of the ROW to a greater extent than what the City has already allowed in the MOU.

Ms. Robertson requested a digital copy of the binder so she can make her comments and suggestions into the document itself for her own purposes and for sharing with staff.

Councilmember Chelminiak questioned whether the overlay would apply to other areas as well. Ms. Helland said yes, the overlay would potentially be applicable to Sound Transit Phase 3. Mr. Chelminiak observed that perhaps the Land Use Code amendment cannot be too specific if it is to be applied to other situations.

Mr. Chelminiak said he agrees wholeheartedly with Deputy Mayor Robertson’s suggestion about citizen involvement in station design and station area planning.

Mr. Chelminiak acknowledged Councilmember Davidson’s concern that while this is not technically a rezone, the overlay affects the use of certain property. With regard to the earlier statement in the presentation that the City’s standards will not be relaxed, Mr. Chelminiak observed that, under the preferred alignment, there are standards that need to be relaxed related to the South Bellevue Park and Ride and Light Rail Station.

Ms. Helland confirmed this understanding. Staff is asking the Council whether it wants to decide that now or later, because as an essential public facility, the City cannot prohibit it through its codes and regulations. The same will apply to the Hospital Station, and design standards would be applicable to the NE 6th Street Downtown Station option.

Mr. Chelminiak concurred with Ms. Robertson's concern about the Sound Transit maintenance facility. His understanding is that it will serve at least half of the trains that go to North Link. For a train to be at the end of the North Link Station at 5:00 a.m., it will need to leave the maintenance base on the Eastside at approximately 4:00 a.m. Mr. Chelminiak said this translates to a number of trains running through Bellevue between 4:00 a.m. and 5:00 a.m. He said the City needs to take a look at that and to consider the noise impacts. The maintenance base operates from 1:00 a.m. to 5:00 a.m. Mr. Chelminiak said it is time to raise this issue.

Mr. Chelminiak observed that the Council and the City are now at their strongest. He cautioned against going back to the pattern of a couple of years ago of sometimes appearing unreasonable in terms of making demands. He believes the City should be able to effectuate what it wants out of this. He said it is important to provide certainty for all parties including citizens.

Councilmember Davidson observed that the maintenance facility is included in the definition and questioned why the discussion is implying that it is not included. Ms. Helland said that staff wanted to capture the need for a small cleaning facility. However, that language is not meant to approve a large maintenance base.

Dr. Davidson referred to the Critical Areas section of the Overlay Land Use Code Amendment [Page 3-60 of meeting packet] and read: "A regional transit authority is not required to demonstrate that no technically feasible alignment or location alternative with less impact exists for any RLRT Facility..." However, his understanding is that the only way to change an essential public facility is if it has lesser environmental impact. He continued the sentence: "...provided that the location of the RLRT System and its Facilities has been generally approved by the Bellevue City Council..." He questioned the meaning of "generally approved." Dr. Davidson said he continues to believe that a proper job of assessing environmental impacts has not been completed. He questioned the implications of this code language with regard to environmental regulations.

Dr. Davidson recalled that he, Deputy Mayor Robertson, and Councilmember Balducci were on the Light Rail Best Practices Committee and visited a number of light rail systems together.

Mayor Lee said there have been good comments by the Council. He understands the approach of the Overlay District amendment to identify gaps in existing Land Use Code regulations that need to be addressed. However, there continue to be questions. He said the Council is here to ask questions and to make decisions in the best interest of the public.

Mayor Lee said the community concerns he sees are: What is the City doing with this overlay? Is it eliminating the City's authority on items that exist today? Is the overlay of benefit to the City separate from the light rail project? He believes these are questions the public asks. He questioned how the concept of essential public facility was developed. He questioned whether the overlay is doing something of benefit to the City that is separate from the light rail agenda. If the concept of essential public facility is reasonable and beneficial to the community, then something should be done to protect South Bellevue and to fill the gaps to provide certainty for

Sound Transit and for citizens. Mayor Lee said it is important to think about the long-term implications of policies adopted now.

Mayor Lee questioned why there is design review in the Bel-Red corridor but not in South Bellevue. Referring to Mr. Chelminiak's earlier observation that standards will need to be relaxed at the South Bellevue Station, Mr. Lee said it is important that the Council and the public understand these types of implications now instead of later.

Councilmember Stokes said the City has an obligation to keep the MOU process and light rail project going forward. He agreed that it is important to provide certainty for the public and for Sound Transit. He cautioned against losing sight of the goal and against micromanaging and lawyering every detail too much. He commended staff for their work.

Mayor Lee concurred with the need to maintain a balance in the discussions going forward and to keep the bigger picture in mind.

Councilmember Davidson observed that, since this is not going to the Planning Commission, the Council should act like the Planning Commission. Dr. Davidson said the Council also has the budget to review. He does not believe the overlay can be adopted within the short timeframe. He noted that the MOU states that if there is not sufficient time to complete the process by no later than December 31, 2012, a change cannot be made unless otherwise agreed to by both parties. He suggested that a realistic timeline be put in place and that the process target early next year for resolution of the discussion.

Mayor Lee said that was a good suggestion, and the Council should talk about how to do that.

Councilmember Wallace suggested that City staff talk to Sound Transit staff about the schedule and about the depth of the questions from the Council. He agrees with Dr. Davidson about not rushing the process.

Noting Sound Transit 3 and the potential maintenance facility, Mr. Wallace said he is trying to envision how something this sensitive can be made to apply to potentially anywhere in the city and anything that Sound Transit can convince a judge is an essential public facility. He believes the focus should be on the specific Bellevue alignment, whether that means moving from the code changes to a development agreement that only applies to this East Link alignment instead of trying to foresee all of the possible implications related to future projects.

Mr. Wallace raised concern that the City cannot prohibit an Essential Public Facility and that code changes will have to either be adopted now or later. However, the law states that an essential public facility is obligated to avoid and/or mitigate impacts.

Ms. Helland said the EPF provisions were put in place in response to the state legislature dictating, through the Growth Management Act, that every jurisdiction must have an EPF safety net. Bellevue adopted its EPF amendment in 2005. Ms. Helland said she was not implying that the City will have to do whatever Sound Transit wants. However, the agency could submit a

conditional use permit, and would have to show there is no technically feasible alternative under the Critical Areas code. It would be a time-consuming process with uncertainty for all stakeholders and would likely not produce the best result.

Responding to Mr. Wallace, Ms. Helland explained that if the City and Sound Transit are in a cooperative agreement, staff would not second guess the alignment decision. Ms. Helland said that any alignment will be required to comply with environmental regulations at the time that the project goes to the City for permit approval.

Mr. Wallace noted the struggle in trying to move the project along and trying to get sufficient information. From his perspective, the Council has been consistently forced to move forward without adequate information. And now the Council is being asked to change the Land Use Code to address uses that have not previously been envisioned. Mr. Wallace said he must have better information before moving forward.

Mayor Lee observed that the risk in considering the Overlay District code amendment is that it could be interpreted as the Council generally approving the project.

Ms. Helland referred the Council to the list of all applicable Land Use Code provisions on page 3-52 of the meeting packet.

Councilmember Stokes reiterated the need to move forward with the MOU process. He said the City has been working hard on this and he believes the deadline can be met.

Mr. Chelminiak concurred with Councilmember Stokes. He noted that Lake Bellevue residents are interested in being involved in station design.

At 10:00 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 15, 2012
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:09 p.m., with Mayor Lee presiding. There was no Executive Session.

2. Study Session

(a) 2013-2014 Operating and 2013-2019 Capital Budget Kickoff Discussion

City Manager Steve Sarkozy made opening comments for the budget presentation. He said the budget preparation was an organization-wide effort with staff Results Teams who reviewed proposals and made recommendations based on the principles and desired outcomes established by the Council in February. The Operating Budget is built on the reductions made in response to the recession and assumes slow economic growth, no general tax increases, and maintaining the City's operating reserves. The Capital Investment Program (CIP) Plan has no general tax increases, ensures that debt obligations are met, funds East Link related obligations, and continues implementation of the Parks Levy projects.

Mr. Sarkozy reviewed the Budget One guiding principles which include a focus on services that deliver outcomes important to the community, an examination of the entire budget, and a long-range strategic approach to an affordable and sustainable budget. Operating budget changes based on the July discussion with the Council include mobility-related regional projects and planning; neighborhood mediation; Comprehensive Plan update; Eastgate/I-90 Plan implementation; economic development activities; Downtown parking; and Probation Services.

Mr. Sarkozy reviewed the budget calendar which includes Council discussions at nearly every meeting until Budget adoption on December 3.

Toni Rezab, Assistant Finance Director, presented the economic outlook, noting that growth is steady but slow. She reported that the Puget Sound area is performing slightly better than the rest of the country, consumer demand is slowly improving, and office vacancy rates continue to decline.

Ms. Rezab reported that the two-year Preliminary Budget totals \$1.287 billion, including \$869.1 million in Operational Funds; \$59.7 million in Special Purpose Funds; and \$357.8 million in Capital Investment Funds for the first two years of the 2013-2019 CIP Plan. Responding to Deputy Mayor Robertson, Ms. Rezab said the first two years of capital investments include two years of General CIP funding and two years of Utilities CIP funding.

Mr. Rezab described the percentages of the Operating Budget distributed to each of the seven outcomes (Safe Community; Improved Mobility; Healthy and Sustainable Environment; Quality Neighborhoods; Innovative, Vibrant and Caring Community; Responsive Government; and Economic Growth and Competitiveness). The percentages are roughly the same for the 2011-2012 and the 2013-2014 Biennial Budgets.

Ms. Rezab described total City resources and total City expenditures for the 2013-2014 Operating Budget.

Responding to Councilmember Chelminiak, Ms. Rezab reviewed the City's total full-time equivalent (FTE) positions since 2007, noting a peak in 2009 and the loss of nearly 80 positions since that time. Some of the positions may be vacant. A few FTEs will be added in 2013 related to the South Bellevue annexations.

Ms. Rezab said the General Fund reflects increases of 4.4 percent in 2013 and 3.2 percent in 2014, without taking annexation into consideration. The General Fund increases by nearly 6 percent in 2013 if annexation expenditures are included. The General Fund contains three new economic development proposals: 1) Comprehensive Plan update, 2) Economic Recovery Strategy, and 3) Eastgate/I-90 Plan implementation. Inflation (CPI-W) is expected to increase by 2.7 percent in 2013 and 2.2 percent in 2014. Sales tax revenues are projected to increase by approximately 4 percent in 2013 and in 2014, and B&O tax revenues are expected to grow at slightly slower rates.

Mr. Rezab noted that the Budget proposes increased utility rates and increased Development Services rates. These will be discussed with the Council on November 13.

Mr. Sarkozy introduced discussion of the 2013-2019 General CIP Plan. It maintains current infrastructure, funds East Link and key Bel-Red projects, continues implementation of Parks Levy projects, provides for neighborhood needs, supports future development, and ensures the strategic use of long- and short-term debt.

Key changes to the CIP Plan since it was presented to the Council in July are proposals to fund the Fire Station Feasibility Study (\$200,000) and the Economic Development/Neighborhood

Opportunity initiative (\$6.2 million). The latter category is considered a Council Contingency fund for projects to be identified later. Previous direction from the Council focused on no new general taxes, maintaining transportation impact fees at the Council-adopted level, paying off the existing line of credit, and the strategic use of long-term and short-term debt to address cash flow needs and revenue shortfalls.

Responding to Councilmember Davidson, Finance Director Jan Hawn explained that long-term debt would be structured over the standard 20 years, and payments would come out of the General CIP. At the end of the 20 years, CIP funds would be used for another purpose. Mr. Sarkozy said there is no presumption that those dollars would be used in the future CIP Plan for long-term debt.

Planning Director Dan Stroh recalled that presentations on CIP elements were provided to the Council in February, March, June, July and September. Key CIP challenges are the current revenue shortfall, ongoing cash flow needs, providing adequate funding for infrastructure maintenance, East Link related obligations, and Mobility and Infrastructure Initiative (MII) projects.

Mr. Stroh described the types of restricted and unrestricted CIP revenues. The recommended CIP Plan allocates 50 percent to discrete projects (e.g., Parks Levy package, East Link, M&II and other needs), 26 percent to ongoing programs (e.g., major maintenance, neighborhood needs), and 24 percent to debt service.

Mr. Sarkozy commented on future capital needs. The City continues to have a large backlog of unmet needs, for example: 1) Infrastructure to support growth centers (Downtown, Bel-Red, Wilburton and Eastgate); 2) Neighborhood sidewalks including West Lake Sammamish Parkway, 3) Continued *City in a Park* investments, 4) Arts and culture, and 5) other transportation and mobility needs.

Mr. Sarkozy explained that one way to address these needs is through a package of new revenues targeted to specific projects and supported through bond funding. If the Council chose this approach, he suggests focusing additional funds on transportation needs. Mr. Sarkozy said that a one percent increase in the property tax generates approximately \$330,000 to \$350,000. If the Council were to do some type of special revenue package, he would recommend a 4 percent increase the first year, followed by a one percent increase the next year to maintain the previous year's capital investments. Mr. Sarkozy said this proposal is not included in the Preliminary Budget because the Council has asked staff to remain responsive to the fiscally constrained environment.

Councilmember Stokes said he would be interested in hearing recommendations from staff about potential projects and revenues that could be added and implemented fairly soon.

Councilmember Chelminiak recalled that, during the July budget workshop, several Councilmembers expressed an interest in receiving proposals from staff about a revenue package

to fund additional capital investments. He would like to see a proposal come forward for Council discussion and consideration.

Mayor Lee suggested this would be a good topic for kicking off discussions with the visioning focus group.

Mr. Chelminiak said he is interested in having that conversation prior to adoption of the budget.

Mr. Sarkozy said that, while there might be disagreement on the Council about considering new revenues, staff can come back with some ideas on how this could be framed for Council review.

Mayor Lee suggested scheduling the focus group for November 8 and having Councilmembers submit names of individuals to serve on the group by Wednesday.

Deputy Mayor Robertson said she is willing to look at new revenues. With regard to raising funds for CIP projects, she would prefer that the dedicated tax increase be rolled back upon completion of the individual projects.

Ms. Robertson requested more information on the Parks Levy package. She observed that the package represents 6 percent of resources in the capital budget but 20 percent of expenses. She would like information on what was promised to the voters and what projects go beyond what was promised. She would like information on the Base CIP match as well.

Ms. Robertson observed that the Neighborhood Enhancement Program is reduced in the CIP Plan. She would like to maintain adequate funds to continue to provide neighborhood projects on a rotating basis throughout the community.

Councilmember Stokes observed that the Parks Levy projects also contribute to neighborhoods.

Councilmember Wallace concurred with Ms. Robertson, noting that the budgets for the Parks Levy projects are higher than reflected in the levy package due to CIP match funding. He would like to see an analysis of what the City has spent on the projects to date as well as the plan for completing the projects by the end of the levy period. He would like to be able to know the final overall cost of all projects.

With regard to the potential for a property tax increase, Mr. Wallace said the first step is to decide what the Council wants to do. The next steps are to determine the costs and the revenue sources. Mr. Wallace observed that there is nothing in state law that requires this to be accomplished by the end of the year. He suggested that the Council pass the budget by the end of the year and then address supplemental budget items and resources early next year.

Continuing, Mr. Wallace said his recollection from two years ago was that sales tax increases were budgeted at 6 percent per year, and now they are at 4.5 percent per year.

Ms. Rezab said the updated projections are based in part on the past two years and in part on what is happening in surrounding jurisdictions. The City of Seattle is growing its sales tax at a rate of approximately 7.5 percent to 8 percent. They also have a number of large construction projects underway. Ms. Rezab said that, when a construction project starts, the City does not receive related sales tax revenues for nearly 18 months. She said King County is forecasting its sales tax revenues at lower rates.

Councilmember Chelminiak questioned how much a 4 percent property tax increase would affect Bellevue homeowners. Ms. Rezab said the impact would be approximately \$20 per year for the average household.

Councilmember Davidson noted other levies coming before the voters including the King County Emergency Medical Services (EMS) levy.

Mr. Chelminiak said he would like the City to be able to benefit from its own property tax.

Mayor Lee thanked staff for the presentation.

(b) East Link: Cost Savings Work Plan Findings

Mr. Sarkozy opened discussion regarding the East Link cost savings effort under the Memorandum of Understanding (MOU) established between the City and Sound Transit to fund a Downtown light rail tunnel. The goal of the collaborative design process is to jointly advance the design of the East Link project and to reduce costs.

Mayor Lee expressed appreciation for the hard work of those involved in the collaborative design process. He asked the members of the MOU Leadership Group to comment on the process and the Steering Committee's recommendations.

Deputy Mayor Robertson, a member of the Leadership Group for the collaborative design process, said the objective has been to determine the best light rail system for Bellevue and its neighborhoods and Sound Transit and its riders, in a way that will save the \$60 million contingency contribution for Bellevue. The Council is at the point of narrowing its recommendations to Sound Transit, which will conduct additional environmental review on the cost savings options. The City and Sound Transit will review the additional design work next spring to decide whether to amend the MOU alignment.

Ms. Robertson said it is important for the public to understand that the Sound Transit preferred alignment has not changed. The MOU alignment reflects a flyover over 112th Avenue SE into a trench under SE 4th Street. The flyover has evolved into the road over rail concept which raises 112th Avenue vehicle traffic above light rail. Ms. Robertson said the 112th Avenue segment is important because what moves forward for further analysis at this point could become the preferred alignment.

Ms. Robertson reviewed the three areas under study for potential cost savings: 1) Bellevue Way, shifting the roadway to the west and adding a southbound HOV lane; 2) 112th Avenue (3 options); and 3) Downtown Station (3 options).

Ms. Robertson said she would like to accept the Steering Committee's recommendation on Bellevue Way and on the NE 6th Street Downtown Station and to move those forward for further environmental review. However, she is not ready to accept the Committee's recommendation to only move forward with the at-grade alignment for 112th Avenue SE. She would like to move the trench concept forward, but is not opposed to studying the at-grade option further.

Ms. Robertson suggested that the best process for the Council is to have a good discussion about the advantages and disadvantages of each idea and to make a determination about what to move forward for additional study. She would then like to direct staff to come back with a letter to Sound Transit for Council approval.

Councilmember Stokes, a member of the MOU Leadership Group, concurred with Ms. Robertson's comments. He wants to be sure to continue working with the neighborhood and the community to come up with a final selection that best serves the public. He noted that the goal of tonight's discussion is to narrow the cost savings options under consideration, but not to make any final decisions.

Councilmember Wallace, a member of the MOU Leadership Group, said progress has been made but there are still many unanswered questions, especially related to mitigation. He believes there is a need to continue to refine the options. He supports continuing to study the MOU option and the at-grade option for the Downtown Station. On Bellevue Way, Mr. Wallace said the HOV lane is an essential piece. However, he believes both options should continue to be studied. On 112th Avenue, if Sound Transit is willing to study only one option, Mr. Wallace believes it should be the trench because the at-grade alignment cannot be mitigated in accordance with Bellevue's noise ordinance.

Councilmember Davidson recalled a question that he asked the previous week about NOAA and obtaining a biological opinion. Kate Berens, Deputy City Attorney, said she has not heard back but she will continue to pursue an answer.

Responding to Dr. Davidson, Councilmember Balducci said the Sound Transit Board capital committee did not make any recommendations for the Board. She urged the committee to not come to any conclusions, even individually, about the options until they received the Bellevue City Council's recommendations.

Bernard van de Kamp, Assistant Director of Transportation, opened the presentation and noted that staff has developed animations of the 112th Avenue options for the Council to view. He said three drop-in sessions were held for the public in early October, which were attended by more than 140 attendees. A number of stakeholder briefings have been held as well. Additional outreach includes media briefings and Internet-provided information.

Mr. van de Kamp reported that public comments about Bellevue Way continue to express concerns about noise and visual impacts, the loss of trees, environmental impacts to the Mercer Slough, and impacts to the Winters House and blueberry farm. There is generally more support for the trench alignment than the cost savings option (shifting Bellevue Way to the west).

For 112th Avenue SE, public comments express a preference for the MOU trench alignment. Citizens also expressed concerns about cut-through traffic into the Surrey Downs neighborhood, noise, and visual impacts. There is considerable opposition to the concept that would connect 111th Place SE to SE 15th Street as an alternative access into the neighborhood.

For the Downtown Station, there is support for the Optimized Adopted option. There are concerns about the Stacked Tunnel options due to its impact on general purpose traffic lanes on 110th Avenue SE. There is support for the NE 6th Street Station due to its cost savings.

Ron Lewis, Sound Transit, reviewed the project schedule, noting that this work was originally anticipated to be completed by June or July. The final design phase spans from 2012 to 2016, and a final design consultant team is under contract. The overall design schedule reflects a 60-percent design milestone in approximately one year. Mr. Lewis listed the many activities involved throughout the final design phase.

Mr. Lewis explained that work to certify right-of-way for acquisition will begin as the 60-percent design work is being completed. He acknowledged that the City Council and the Sound Transit Board have asked staff to look at the possibility of accelerating property acquisitions. One of the areas that is a good candidate for that, from Sound Transit's perspective, is along the northern portion of 112th Avenue.

Construction is targeted for 2015-2020, systems installation continues through 2021, and the system becomes operational in 2023.

Councilmember Davidson returned to his inquiry about a conversation with NOAA and asked whether Sound Transit has spoken with NOAA officials about the Endangered Species Act. Dr. Davidson observed that the environmental impact statement (EIS) does not address this issue.

Councilmember Wallace stated that the cost savings work was to have been completed in June or July, and additional environmental review was targeted for completion by the end of 2012. Given the current status of the process, Mr. Wallace questioned the target date for the additional environmental work. Mr. Lewis said that Sound Transit expects to complete additional review during the first quarter of 2013, and the design update is scheduled in March.

Councilmember Wallace observed that it would be appropriate to look at completing the Code review by March as well in order to have the benefit of the updated designs along with better information on mitigation and environmental review. This would also provide more time to work with the community through the Land Use Code amendment process. Councilmember Wallace asked Sound Transit to consider this suggested schedule.

Councilmember Wallace asked when information on the sound walls and other impacts will be available. Mr. Lewis said that is part of the final design process. As the options are refined, those elements will be included in the infrastructure and represented in the drawings. In further response, Mr. Lewis said the 60-percent design documents will include an updated cost estimate.

Mr. Wallace asked whether a critical areas report and NOAA study would be included in the final design package and delivered by the end of 2013. Mr. Lewis said he can speak to Sound Transit's environmental staff for a response. Mr. Wallace suggested it would be helpful to have that process underway, given the proximity of the rail alignment to the Mercer Slough, wetlands, and other sensitive areas.

Mr. Lewis said Sound Transit staff look forward to the narrowing of the cost savings options, which will enable specific and appropriate environmental work to be conducted.

Mayor Lee reinforced the importance of the City and Sound Transit continuing to work together throughout every phase of the project.

Councilmember Stokes observed that the collaborative design process has made good progress. He encouraged the Council to keep pushing to have questions answered and to move forward.

Councilmember Chelminiak said he wants to be sure that if he votes to move any of the options forward, he is supporting further study but is not committed to the options as a final decision. He suggested that the trench and at-grade alignments for 112th Avenue SE should each receive comparable engineering and environmental review. He questioned what additional analysis would occur if both continue to be studied.

Mr. Lewis said that neither the trench nor the at-grade alignment on the west side have been through environmental analysis. The MOU at-grade option is different than the cost savings at-grade option.

Mr. Chelminiak stated his understanding that both the trench and at-grade options involve a six foot to eight foot noise wall along 112th Avenue SE. Mr. Lewis said the trench wall extends above grade to act as both a retaining wall and noise buffer. The wall mitigates road noise as well.

At 8:03 p.m., Mayor Lee declared recess to the Regular Session, noting that Council would continue this discussion during that session.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

October 15, 2012
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:10 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present. Councilmember Stokes led the flag salute.

(a) Recognition of Corporate Partners for September 11 *Honoring Our Elders* Event

Mayor Lee read commendations into the record recognizing the partnership of The Microsoft Store and the Bellevue Hyatt Regency in sponsoring the *Honoring Our Elders* breakfast on September 11. Bellevue Police Officers and Fire Fighters, as well as other City staff, participated in this event for 180 attendees.

Chad Mack, representing Microsoft, expressed appreciation to the Hyatt Hotel and its staff and to City staff for their great work in producing this event. He noted Microsoft's commitment to engaging with the local community.

Rolf Osterwalder, General Manager of the Hyatt, thanked the City for the recognition and the opportunity to partner with both Microsoft and City.

(b) Recognition of the *100 Best Communities for Young People* Award

Mayor Lee announced that Bellevue has been named one of the nation's *100 Best Communities for Young People* by the America's Promise Alliance and ING Financial Services. This is the sixth time that Bellevue has received this award.

Mayor Lee read a proclamation declaring that Bellevue be celebrated as one of the *100 Best Communities for Young People*.

Jordon LaPier, representing the America's Promise Alliance, congratulated the City's extraordinary work to improve the lives of youth in the community.

Michelle Mattson-Hamilton, Youth Link Adult Co-Chair, commended the City's ongoing efforts to involve and provide opportunities for youth.

(c) NOAA National Weather Service StormReady Recognition

Mayor Lee announced that Bellevue has earned the NOAA National Weather Service StormReady recognition based on its strong emergency preparedness program involving the City, residents, and visitors.

Ted Buehner, Warning Coordination Meteorologist, described the StormReady program and congratulated the City for its leadership.

3. Communications: Written and Oral

- (a) Sam Bellomio, Stand Up America, noted his ongoing objection to red light cameras. He received information about the red light cameras before tonight's meeting. He quoted one of the documents which indicates that the photo enforcement program has proven to reduce injury accidents throughout the city. Mr. Bellomio said there were 267 injury accidents citywide in 2008 and 267 again in 2011. There were four injury accidents at the photo enforcement location in 2008 and four again in 2011. He said the data does not reflect a reduction in accidents. He noted that, in August, the City received 45 percent of the ticket revenue, which has since been reduced to 40 percent.
- (b) Alex Zimmerman, Stand Up America, said he has been asking for the cost of a criminal case for six months. He estimates that the 330-page investigation cost \$50,000. He noted that he has received two answers from the City. He said he has been prosecuted in the past by the City for his two class action lawsuits. He reiterated his request for the cost of the Police investigation, which has been underway for three years.
- (c) Sue Baugh, President of Move Bellevue Forward, said the group is a non-partisan, grassroots citywide coalition of residents, businesses, nonprofit organizations, and community leaders dedicated to a progressive long-term vision for Bellevue. She commented on the process to identify East Link cost savings, which they believe should be spread throughout the entire alignment. Ms. Baugh said that maintaining effective access to the Downtown Station is a top priority, and the group supports the Optimized Adopted 110th Avenue tunnel station. The group does not believe that the NE 6th Street Station option is adequate or acceptable. Should this option be selected for further environmental review, Move Bellevue Forward requests that Sound Transit and the City conceptually design and cost out a station with options for better pedestrian connectivity to the west, effective rain protection, and enhanced urban design. She spoke against a

station design that would preclude the potential for future transit-oriented development. Move Bellevue Forward supports an at-grade alignment along Bellevue Way and does not support the addition of a southbound HOV lane until the project is fully studied and vetted with the public. With regard to 112th Avenue SE, the group supports the road over rail design and an at-grade alignment on the west side of 112th Avenue. Ms. Baugh encouraged the City and Sound Transit to find reasonable access solutions for the Surrey Downs neighborhood. She thanked the City and Sound Transit for their diligent work to find cost savings.

- (d) Loretta Lopez, Co-Vice President of the Bridle Trails Community Club, said the club has filed a written request to the Sound Transit Board for an extension of the comment period deadline of October 22 related to locating a rail maintenance yard in the Bel-Red corridor. The club requests extending the deadline to November 20.

Speaking as an individual, Ms. Lopez said the proposed 25-acre rail yard came as a surprise to residents. Many of them attended the October 8 Sound Transit meeting and were given a description of the proposal. Her understanding is that Sound Transit will make a decision quickly. She noted the City's extensive efforts over several years to rezone the Bel-Red corridor from light industrial to residential and office uses as an urban center. She said it does not make sense to allow a maintenance facility under the new Bel-Red Plan, and she strongly opposes the current Fred Meyer site as a potential location. Ms. Lopez said that maintenance will occur after midnight and the trains will leave the facility at 4:00 a.m. She asked the Council to request more time for public involvement and to communicate to Sound Transit that some of the proposed locations are unacceptable.

Mayor Lee said the Council has requested an extension of the public comment period.

Deputy Mayor Robertson said this topic is on the Council agenda for November 5 for a formal presentation and discussion.

Councilmember Chelminiak said the Council believes that the comment period will be extended.

City Manager Steve Sarkozy said that Sound Transit has postponed its consideration of this facility until early November, which allows the City Council to address the proposal on November 5. City staff has drafted a letter to Sound Transit, which will be circulated to the Council for input. Sound Transit is seeking comment on four potential sites in Bellevue, as well as two sites in Lynnwood. Mr. Sarkozy said staff was somewhat surprised by the proposal as well.

- (e) Howard Katz said he attended the Sound Transit meeting referenced by Ms. Lopez and addressed two things: 1) Light rail is coming through Lake Bellevue, which is a flood zone, and 2) Sound Transit has known about the maintenance facility for several years. Mr. Katz observed that Sound Transit should have worked with the Planning Commission on this issue. He was told by Sound Transit officials that the City Council wants to work directly with the agency. Mr. Katz expressed concern that there are four

potential maintenance facility locations in Bellevue and that none of this was communicated earlier.

- (f) Patrick Bannon, Bellevue Downtown Association, noted that the BDA sent a letter last week to both the City and Sound Transit on the East Link cost savings ideas. The BDA continues to support the adopted tunnel alignment and Downtown Station. However, given the potential cost savings with the NE 6th Street Station, the BDA believes it warrants further review. The BDA encourages a similar level of review for those two options. The BDA's letter provides additional details on recommended project elements including the mitigation of impacts. Mr. Bannon said the BDA encourages the City to continue to work with residents to address concerns related to the Bellevue Way and 112th Avenue SE segments.
- (g) Peter Marshall, an Enatai resident, said he attended a meeting earlier in the month with Move Bellevue Forward and Sound Transit staff. A comment was made that it would be technically possible to look at more light rail options, but it is not likely to occur. With regard to the Bellevue Way alignment, he believes it would be a mistake to move the Winters House, and he would like for more options to be considered. Mr. Marshall provided his comments in writing which address 112th Avenue SE as well.
- (h) Bill Popp, an Enatai resident, followed up on his comments from the previous week before the Council. He expressed concern about the City's liability for a portion of the Downtown tunnel costs and noted that the North Link project is almost entirely a tunnel. He said that South Bellevue neighborhoods are being asked to absorb most of the cost savings through options that are actually increasing adverse impacts. He observed that a center-loading platform for the NE 6th Street Station idea would save more money than the side-loading platform.
- (i) Betsy Blackstock, representing the Surrey Downs East Link Committee and the Surrey Downs Community Club Board, noted their October 14 letter to the Council. She said the trench design at SE 4th Street is the only acceptable mitigation for light rail along the boundary of their neighborhood. She asked the City Council to read the letter and to be open-minded about the alignment options.

4. Reports of Community Council, Boards and Commissions

(a) Transportation Commission CIP Recommendations

Ernie Simas, Chair of the Transportation Commission, reviewed the memo in the Council packet [Page 4-1] providing the Commission's feedback on the Preliminary 2013-2019 Capital Investment Program (CIP) Plan.

Scott Lampe, Commission Vice Chair, commented that when he saw the CIP projects that have been deferred due to funding constraints, such as the Downtown Fire Station, he recognized that there are a number of hard budget decisions to be made.

5. Report of the City Manager

(a) Management Brief on Winter Weather Preparedness and Response

[Materials in packet; no discussion.]

(b) Management Brief on Initiating the Update to the Comprehensive Plan

[Materials in packet; no discussion.]

(c) Continued East Link Discussion [Study Session Item 2(b)]

City Manager Steve Sarkozy noted the Council's interest in continuing the East Link cost savings presentation from the earlier Study Session.

Bernard van de Kamp, Assistant Director of Transportation, said the Steering Committee recommends advancing for additional analysis the cost saving idea for Bellevue Way that would shift the roadway to the west and add an HOV lane. The Committee recommends the road over rail option for 112th Avenue SE at SE 15th Street, and no further work on the rail flyover.

Chris Salomone, Director of Planning and Community Development, described the Steering Committee's recommendation for emergency access only at SE 4th Street on 112th Avenue SE, which represents a cost savings of \$9 million to \$16 million. The Committee recommends no further work on the trench under SE 4th Street. The Committee believes it will be possible to mitigate the impacts and to create a graceful gateway that enhances and provides the future option for an at-grade crossing. The Committee concluded that the Texas-T option presented an expansive wall along the west side of 112th Avenue SE and pedestrian options had not been fully explored.

Mr. Salomone said the City plans to hire its own consultant to study mitigation measures, as it has for other options related to the Sound Transit project. The City will hire sound and visual impacts consultants for an independent assessment of the impacts.

Mike Brennan, Director of Development Services, reviewed the Downtown Station options considered which were the Optimized Adopted project, Stacked Tunnel cost saving idea, and NE 6th Street Station cost saving idea. With regard to the Optimized option, Mr. Brennan noted a solution to move the north station entrance to the west side of 110th Avenue to bring it closer to the existing Transit Center.

Mr. Brennan said the Steering Committee recommends advancing the NE 6th Street Station for environmental review and design to inform the 2013 alignment decision. Desired enhancements include a "centerpiece" station design, improved pedestrian facilities, and improved light rail operations. The NE 6th Street Station provides the opportunity for co-development of the site with other uses.

Mr. van de Kamp presented design animations and described the options in further detail.

Responding to Councilmember Balducci, Ron Lewis, Sound Transit, said the cross braces in the tunnel are structural. Thicker and stronger walls would be required without them and would be more expensive.

Staff responded to questions of clarification as the Council viewed the animations.

Mr. van de Kamp noted that there are some homes that would be acquired at 112th Avenue SE and SE 4th Street. The animations do not realistically depict the final project including landscaping.

Responding to Councilmember Chelminiak, Mr. van de Kamp said that the homes closest to 112th Avenue SE along the west side of the road will be acquired to make room for the train.

Responding to Deputy Mayor Robertson, Mr. van de Kamp said the City envisions that the courts will be relocated by the time the light rail project is built. Surrey Downs Park will be accessed from the interior of the neighborhood and active programming will likely be discontinued.

→ Deputy Mayor Robertson moved to extend the meeting until 10:30 p.m., and Councilmember Wallace seconded the motion.

→ The motion to extend the meeting carried by a vote of 7-0.

Councilmember Balducci noted that she would need to leave the meeting soon. Mayor Lee asked whether she would like to provide comments before she goes.

Ms. Balducci said the decision making approach outlined earlier by the Deputy Mayor is reasonable. She believes it is important to remember that this is a process of gradually narrowing options for further engineering and environmental work. She cautioned against eliminating favorable alternatives at this point because it would likely be harder to bring them back later.

Ms. Balducci observed that the MOU collaborative design process is progressing well toward the cost savings goal. She is sympathetic to the argument from neighborhoods that the MOU is focused on paying for the Downtown tunnel, potentially at the expense of further impacts outside of the Downtown. She would prefer to retain the adopted alignment for Bellevue Way, but is open to the recommended cost saving idea if preferred by a majority of the Council. If the HOV lane is to be added, Ms. Balducci observed that now is the time to move forward with a study of that option.

With regard to 112th Avenue SE, Ms. Balducci said she can support advancing for further design both the SE 4th Street trench and the Steering Committee's recommendation for emergency access only at SE 4th Street. She supports continued analysis of the Optimized Adopted Downtown Station design and the Steering Committee's recommendation for the NE 6th Street Station.

→ Deputy Mayor Robertson moved to direct the City Manager to ask Sound Transit to move into environmental review the following options on the cost savings menu: 1) Bellevue Way, moving the train out of trench and out of the wetlands, coupled with the HOV lane; 2) Road over rail option at SE 15th which would supplant the flyover option; 3) SE 4th Street at-grade alignment; 4) Light rail trench under SE 4th Street; 5) Optimized Adopted Downtown tunnel and station; and, 6) the Relocated Station to NE 6th Street; as well as the “just take it” ideas advanced for further engineering; and to direct staff to bring a letter forward for approval of the Council next week with this recommendation and the basis therefore, based on Council discussion. Councilmember Wallace seconded the motion.

Councilmember Stokes offered a friendly amendment to add language referencing “environmental review and design advancement.”

Deputy Mayor Robertson accepted the amendment, noting that she expects the City will also be receiving impact and mitigation analysis during environmental review.

Councilmember Davidson questioned whether change to the alignment would trigger a supplemental environmental impact statement (EIS).

Mr. Lewis said the environmental team will take a look at all of the potential options under consideration for advancement and make a determination about what environmental analysis is needed. Sound Transit will look at the balance of all options and take them through an environmental review.

Dr. Davidson observed that he feels like he never gets a straight answer regarding environmental review.

Mayor Lee apologized for putting Sound Transit staff on the hot seat, and questioned whether City staff is tracking the Council’s questions.

Mr. Brennan said that staff records the Council’s concerns and questions, and is in the process of compiling responses to all of them. With regard to environmental review, Mr. Brennan said staff can provide a better idea of what environmental analysis will be required once the list of options is narrowed.

Dr. Davidson said it is difficult to make a good decision without having all of the information.

Councilmember Chelminiak noted that support of the motion should not be seen as an endorsement of the options to be studied. He will reserve the right to oppose any of the options upon further study.

Deputy Mayor Robertson spoke in support of the motion and the need to move forward with the MOU process. She noted concerns about neighborhood impacts and believes it is important to

continue to study multiple options. She looks forward to more advanced design and environmental work, including enhanced animations for the Council and the public.

Councilmember Stokes concurred with the comments that have been made in support of the motion. He believes the MOU effort has been a good process, and he thanked City and Sound Transit staff for their work with the Council. He expressed support for the motion.

Councilmember Wallace referred to Councilmember Balducci's suggestion to retain the adopted alignment along Bellevue Way. He wondered whether Sound Transit would prefer that option due to the complexity and potential risk associated with the cost saving idea. He observed that, after the South Bellevue Park and Ride is expanded, residents will likely wish for extra lane capacity on Bellevue Way. He questioned whether the adopted alignment includes adding a lane.

With regard to 112th Avenue SE, Mr. Wallace said the at-grade option is not acceptable. He believes that the trench option works well. He is open to exploring additional solutions that would better mitigate noise impacts, but the current cost savings ideas do not.

Mr. Wallace said he will support the motion, but he believes the project cannot put an at-grade train in residents' backyards.

Mayor Lee said this is not just an issue of cost savings. In general, he concurs with Councilmember Balducci. Mr. Lee said he agrees with Councilmember Wallace about 112th Avenue SE, but he noted that this is still a fact-finding exercise and the Council is not finalizing a choice. He supports moving forward and continuing to collaborate with Sound Transit.

→ The motion carried by a vote of 6-1, with Councilmember Davidson opposed.

At 10:13 p.m., Mayor Lee called for a short break.

[Councilmember Balducci left the meeting.]

The meeting reconvened at 10:15 p.m.

Mayor Lee noted that Agenda Items 5(a) and 5(b) would be postponed until the following week.

6. Council Business and New Initiatives

Mayor Lee suggested foregoing Council reports due to the lateness of the hour.

7. Approval of the Agenda

→ Deputy Mayor Robertson moved to approve the agenda, and Councilmember Chelminiak seconded the motion.

→ The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

- Deputy Mayor Robertson moved to approve the Consent Calendar, and Councilmember Chelminiak seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved.
 - (a) Minutes of September 10, 2012 Extended Study Session
 - (b) Resolution No. 8458 authorizing approval of payment in the amount of \$52,330.72 for a Release of All Claims in final settlement against the City by Puget Sound Energy for property damage to their gas main and equipment caused by a water system failure.
 - (c) Ordinance No. 6077 repealing and replacing Ordinance No. 6057 and memorializing settlement terms and approval, with conditions of the Planned Unit Development and Preliminary Conservation Subdivision for the Application of David Shih and the Shih Family Limited Partnership under Permit File Nos. 08-135645 and 11-1-3630 LO.
 - (d) Resolution No. 8459 authorizing execution of: 1) a one-year labor agreement extension (including an agreement to give back paid leave in lieu of mandatory furloughs) by the Bellevue Police Support Guild; and, 2) a Settlement Agreement between the same parties regarding a grievance claim.
 - (e) Ordinance No. 6078 authorizing adoption of the recommendations for the use of 2013 Community Development Block Grant (CDBG) funds as transmitted by the Human Services Commission; authorizing submittal of a proposal to the United States Department of Housing and Urban Development (HUD) for the 2013 CDBG Program; authorizing the acceptance of a grant award contract with HUD; creating a new project series within the Operating Grants and Donations Fund into which these funds shall be deposited; authorizing entering into agreements with grant subrecipients; and authorizing expenditures of said grant funds.
 - (f) Resolution No. 8460 authorizing execution of a professional services agreement with Design Concepts, in an amount not to exceed \$91,300, for architectural and engineering design services for the Downtown Park Playground.
 - (g) Motion to award Bid No. 12210 to Fidalgo Paving and Construction, as the lowest responsible and responsive bidder, in the amount of \$98,657.00, for the Bellevue Golf Course Cart Path Installation and Overlay project (CIP No. P-R-11).
 - (h) Resolution No. 8461 authorizing execution of an amendment to the professional engineering service agreement with HDR Engineering, Inc., increasing the total contract amount from \$818,512 to \$1,568,776 to advance the engineering level

from 30% to 60% level, including developing design plans, specifications, and cost estimates for future improvements on 124th Avenue NE, between the proposed NE 15th/16th Street Extension and Northup Way (CIP Plan No. PW-R-166).

- (i) Motion to award Bid No. 12000, Bellevue Way NE and NE 24th Street Traffic Signal Upgrade to Kamins Construction, as the lowest responsible and responsive bidder, in the amount of \$501,866.00 (CIP Plan Nos. PW-M-1, PW-M-19, and PW-NEP-1).
- (j) Resolution No. 8462 authorizing the purchase of Lateral and Mainline Probe video inspection equipment from Cues Corporation, in the amount of \$57, 049.50 from Sewer Fund 4450.
- (k) Resolution No. 8463 authorizing execution of a professional services agreement with Site Development Associates, LLC, in an amount not to exceed \$200,000, for engineering services associated with the Commercial Water Meter Replacement (2012-2013) Design project (CIP Plan No. W-98).
- (l) Newport Water Pump Station Rehabilitation

Motion to award Bid No. 12176 for Newport Water Booster Pump Station Rehabilitation, to Omega Contractors, Inc., as the lowest responsible and responsive bidder, in the amount of \$792,259.80 (CIP Plan No. W-91).

Resolution No. 8464 authorizing execution of a professional services agreement with Kennedy/Jenks Consultants, Inc., in an amount not to exceed \$60,000, for engineering services during construction of the Newport Pump Station Rehabilitation Project (CIP Plan No. W-91).
- (m) Motion to award Bid No. 12160 for AC Water Main Replacement (2012) - Phase 2, to Earthwork Enterprises, Inc., as the lowest responsible and responsive bidder, in the amount of \$1,423,770.78 (CIP Plan No. W-16).

9. Public Hearings

- (a) Consideration of the Vacation of a Portion of NE 28th Street

Patti Ebert, Senior Real Property Agent, described the request for a right-of-way vacation submitted by The Little School on May 1. Departments have reviewed the request and recommend approving the street vacation. The right-of-way is a portion of NE 28th Street between 116th Avenue NE and 120th Avenue NE. The ROW is 30 feet wide, and The Little School owns property on both sides of the area requested to be vacated.

Ms. Ebert described the site plan. She explained that The Little School recently received a stop work order related to its efforts to add parking. The City is delaying a decision on the permit

until a street vacation decision is made. The City received one public request for information regarding the ROW and the school's parking plans. The City does not know where parking will be located. If the vacation is approved, the City proposes conditions to retain two easements (Utilities and Pedestrian). Puget Sound Energy has overhead lines and has requested obtaining its own easement for the area.

→ Deputy Mayor Robertson moved to open the Public Hearing, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-0.

The following citizens came forward to comment:

1. Peter Berner-Hays, Director of The Little School, said the school has been at the same site for 40 years and has 160 students. He clarified that the school is requesting a vacation of two-thirds of the right-of-way. He said that, several months ago, the school installed a gravel lot mistakenly without permits. Vacation of the ROW will allow the school to fully use the property and to enhance both parking and safety for children on the site.

2. Joe Notarangelo, President of The Little School Board of Trustees, spoke in support of the right-of-way vacation. He said the school would like to evaluate the feasibility of putting in a complying parking area. The school believes that the ROW vacation will provide better opportunities for parking facilities.

→ Deputy Mayor Robertson moved to close the Public Hearing, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-0.

Deputy Mayor Robertson questioned whether the City would be vacating only a portion of the ROW.

Responding to Mayor Lee, Ms. Ebert explained that a small segment of the ROW is fairly steep and wooded.

Nora Johnson, Director of the Civic Services Department, said staff recommends retaining an easement for a possible pedestrian trail in the future. Responding to Councilmember Chelminiak, Ms. Johnson said the ROW connects to 120th Avenue immediately before it goes into a private road.

→ Deputy Mayor Robertson moved to direct staff to proceed with drafting legislation approving the requested street vacation with the retention of the two easements for existing utilities and pedestrian/non-motorized uses. Councilmember Wallace seconded the motion.

→ The motion carried by a vote of 6-0.

10. Land Use: None.
11. Other Ordinances, Resolutions and Motions: None.
12. Unfinished Business: None.
13. Continued Oral Communications: None.
14. New Business: None.
15. Executive Session: None.
16. Adjournment

At 10:29 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw